

FBI'S**DAILY REPORT
CONTENTS***Asia & Pacific*

Vol IV No 114

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JAPAN

Government 'Regrets' South African Emergency	C 1
LDP Leaders Differ on Election Gains Target	C 1
Tanaka Decides To Run in July Elections	C 1
Sumita on Domestication To Ease High Yen Effects	C 2

NORTH KOREA

U.S. Blamed for South Africa's Foreign Attacks	D 1
North Link to Lebanon Kidnapping 'Groundless Lie'	D 1
DPRK-GDR Economic, Cultural Agreement Praised	D 2
Cohosting Issues Discussed at Lausanne Meeting	D 3
VNS on Chongwadae Talks Between Chon, Yi Min-u	D 4
NODONG SINMUN on Chon's Suppression of Dissidents [9 Jun]	D 5
NODONG SINMUN Condemns Suppression of Professors [11 Jun]	D 7
VNS Assails Speeches by No Tae-u, No Sin-yong	D 9
Further Reaction To Attempt To Seize U.S. Embassy	D 10
Radio Commentary	D 10
VNS Commentary	D 11
South's Theory of Economic Growth Criticized	D 13
Daily on Functionaries' Economic Management	D 16
[NODONG SINMUN 10 Jun]	
Construction of Modern Hotels in DPRK Increasing	D 19

SOUTH KOREA

South-North Olympic Talks Conclude; Viewed	E 1
ROK To Consider IOC Proposal	E 1
[THE KOREA HERALD 13 Jun]	
North Urged To Accept [THE KOREA TIMES 13 Jun]	E 1
THE KOREA HERALD Analyzes Talks [13 Jun]	E 2
KYODO Views Negotiations	E 3
No Sin-yong Calls for Successful Asiad Hosting	E 4
USFK Labor Dispute Settled, Accords Reached	E 4
[THE KOREA TIMES 13 Jun]	
Opposition Objects to U.S. Cigarette, Beef Imports	E 5
[THE KOREA TIMES 13 Jun]	
Foreign-Invested Firms Allowed Electronics Sales	E 5
Chon Calls for Fostering of Small Enterprises	E 6
[THE KOREA TIMES 13 Jun]	
Parents of Activitists State Sit-In at NKDP Office	E 7
[THE KOREA HERALD 13 Jun]	
Mission Members Stage Sit-In Protesting Search	E 7
[THE KOREA HERALD 13 Jun]	
Students Throw Molotov Cocktails at Police Box	E 7
[THE KOREA TIMES 7 Jun]	

Student To Be Punished for Burning School Flag
[THE KOREA HERALD 7 Jun]

E 7

THAILAND

SRV, PRK Forces Said To Attack Ranger Truck
[BANGKOK WORLD 12 Jun]

J 1

Asa Replies to Lao Foreign Ministry Statement
[NAEO NA 12 Jun]

J 1

Vietnam Said Responsible for 29 May Shelling
Thailand To Release Soviet Aid to Laos 'Soon'
[THE NATION 13 Jun]

J 1

J 2

ASEAN To Raise U.S. Farm Act Issue in Manila
[THE NATION 13 Jun]

J 2

Radio, TV Board on Frequencies, Election
Role of Parties in July Election Discussed

J 3

J 4

VIETNAM

No 'Notable Progress' in U.S.-SRV MIA Talks [AFP]

K 1

Reaction to PRC Shelling of Children's Camp

K 2

QUAN DOI NHAN DAN Report [11 Jun]

K 2

Vu Dinh Vinh Commentary

K 2

Sino-Thai Slander of Refugee Camp Shelling Scored

K 4

PHILIPPINES

Independence Day Message by President Aquino
[BUSINESS DAY 12 Jun]

P 1

Aquino Independence Speech Urges Self-Reliance

P 1

Aquino Defends Breadth of Con-Com Representation
[THE MANILA EVENING POST 10 Jun]

P 2

Austerity Measures Outlined for Cabinet [AFP]

P 3

Special Task Force To Tackle Squatter Problem
[BUSINESS DAY 12 Jun]

P 3

Salonga Commission To Appeal U.S. Court on Wealth
[MANILA BULLETIN 11 Jun]

P 4

Con-Com Members Push for Mindanao Autonomy
[PHILIPPINE DAILY INQUIRER 10 Jun]

P 5

Con-Com Discusses Canceling Presidential Immunity
[THE NEW PHILIPPINES DAILY EXPRESS 11 Jun]

P 6

Opposition Sees Coup Only as Remote Possibility [KYODO]

P 7

Military Directed To Install Ilocos Sur Governor
[MANILA BULLETIN 11 Jun]

P 8

Enrile Stresses Preservation of Freedom, Independence

P 8

Ramos Guarantees Safety of Communist Negotiators

P 9

Military Identifies 'Key' Communist Figures
[THE NEWS HERALD 10 Jun]

P 9

Armed Forces Seek Increased U.S. Military Aid
[BUSINESS DAY 12 Jun]

P 11

2 Newly-Appointed Muslim OICs Killed in Mindanao
[MANILA BULLETIN 11 Jun]

P 12

National Livelihood Program To Stop Lending
[THE MANILA EVENING POST 9 Jun]

P 13

GOVERNMENT 'REGRETS' SOUTH AFRICAN EMERGENCY

OW130431 Tokyo KYODO in English 0401 GMT 13 Jun 86

[Text] Tokyo, June 13 KYODO -- Japan expressed regret Friday at South Africa's imposition of a state of emergency and called on the Pretoria government to carry out "courageous" reforms of its policy of apartheid, or racial segregation. Foreign Ministry spokesman Yoshio Hanato said the Japanese Government feels "strong apprehension" about a possible deterioration of the situation in South Africa as a result of the new measure.

Japan has repeatedly voiced "strong concern" over the white minority government's clampdowns on black opposition movements, the spokesman said. Hatano urged South Africa to end its apartheid policy so as to achieve a peaceful settlement of the racial unrest in the country. But Hatano's statement stopped short of giving any hint of additional punitive measures by Japan against South Africa, with which Japan maintains close trade relations. Japan banned exports of computers for South African security forces and took other measures last year in protest against the South African Government's handling of freedom movements for blacks.

LDP LEADERS DIFFER ON ELECTION GAINS TARGET

OW121041 Tokyo KYODO in English 0923 GMT 12 Jun 86

[Text] Tokyo, June 12 KYODO -- Top leaders of the ruling Liberal-Democratic Party (LDP), continuing a nationwide stumping tour across the country, differed Thursday over the party's target in terms of lower house seats at the July 6 polls. Foreign Minister Shintaro Abe, hitting the campaign trail in Muroran in Hokkaido, Japan's northernmost main island, told a press conference that the LDP is aiming to capture a stable majority of seats in both houses of the Diet in the polls. Abe's comment was taken to mean that a haul of fewer than 271 lower house seats would represent a failure for the LDP. The figure 271 is the number of seats required in the 512-man lower house to control all the 18 standing committees.

Meanwhile, Finance Minister Noboru Takeshita, a prime ministerial hopeful together with Abe and LDP Executive Board Chairman Kiichi Miyazawa, said in Kanazawa of Ishikawa Prefecture that the party can be victorious if it wins a bare majority of 257 in the lower house. It was Takeshita's first comment on the subject since the lower house was dissolved last week.

LDP Secretary General Shin Kanemaru spoke in similar vein at a press conference at Toyama. "I personally want to win more than 270 seats," he said, "but considering the severe situation surrounding the LDP, I'll settle for more than 257." Kanemaru and Takeshita, backed by the LDP's powerful Tanaka faction, usually wield immense influence over the formation of party consensus, political pundits say.

TANAKA DECIDES TO RUN IN JULY ELECTIONS

OW130317 Tokyo KYODO in English 0250 GMT 13 Jun 86

[Text] Tokyo, June 13 KYODO -- Former Prime Minister Kakuei Tanaka has had election campaign pamphlets distributed to voters in his Niigata No. 3 lower house constituency, saying that he will be eagerly seeking reelection in the coming July 6 polls.

The pamphlets say he has been recuperating from a stroke he suffered in February 1985 and is determined to devote himself to contributing to the betterment of Japan. The one-time "kingmaker," of Japanese politics and leader of the largest faction in the ruling Liberal-Democratic Party (LDP) also says in the pamphlet that he will make his best efforts to continue his political activities for the benefit of the coming generation.

The former prime minister declared last Monday his de facto candidacy for the upcoming poll by allowing several recent photographs taken of him in his Tokyo home to be published in a local party journal called "ETSUZAN," issued by his supporters in Niigata Prefecture. One of the pictures, taken on March 2, shows Tanaka standing with the help of a cane.

SUMITA ON DOMESTICATION TO EASE HIGH YEN EFFECTS

OW120955 Tokyo KYODO in English 0919 GMT 12 Jun 86

[Text] Tokyo, June 12 KYODO -- Satoshi Sumita, governor of the Bank of Japan, Thursday called for a greater fiscal role in expanding domestic demand while cautioning against easier monetary policy. Sumita said in a lecture meeting in Tokyo that there is a need for not only maintaining the present strong yen but transforming Japan's industrial structure into one oriented more toward domestic demand than exports. In order to achieve a smooth transformation of the Japanese economy, the nation's domestic demand must be expanded as much as possible, he said. He noted there could be room for the national treasury to play a greater role in this regard within the limits of the current government policy of putting top priority on fiscal rehabilitation.

Sumita said Japan's monetary situation has been relaxed sufficiently in a quantitative manner and its interest rates are already at historic lows. "We must be cautious about further lowering of interest rates," he said. On exchange rates, he said the sharp appreciation of the yen against the dollar has unstabilized [as received] the exchange markets, thus forcing the Japanese economy into a deflationary situation with the possibility of an unfavorable effect on domestic demand.

The central Banker pointed out the yen's sharp rise in value against the dollar might result in a greater danger of reigniting inflation in the United States and higher interest rates as a result of a possible sharp decline in capital inflow into the U.S. He said there is now a greater concern not only within the U.S. Federal Reserve Board but other government circles that the dollar may plunge further in future.

U.S. BLAMED FOR SOUTH AFRICA'S FOREIGN ATTACKS

SK130456 Pyongyang KCNA in English 0439 GMT 13 Jun 86

[Text] Pyongyang June 13 (KCNA) -- NODONG SINMUN today denounces the U.S. imperialists and their stooges for ever more unscrupulously intensifying aggressive moves and armed attacks in different parts of the world. In a signed commentary the daily says: In the wake of the U.S. imperialists' recent burglarious bombing raids on Libya, the South Africa racist clique made armed attack on the capitals of Zimbabwe, Zambia and Botswana and attacked the Namibe port of Angola and destroyed establishments, damaged two Soviet ships and sank a Cuban ship there. Such armed attacks are a wanton infringement upon the independence, sovereignty and territorial integrity of these countries and a piratic act of terrorism and aggression trampling underfoot the publicly recognized norms of international law and international usage.

The escalation of provocation by the U.S., imperialists and their stooges are part of the U.S. imperialists' strategy of aggression by proxy. The U.S. imperialists are zealous in vindicating and encouraging their stooges' armed invasion.

The South African racist clique must put an end to their aggressive moves against sovereign states and the U.S. imperialists stop encouraging them to terrorism and aggression.

NORTH LINK TO LEBANON KIDNAPPING 'GROUNDLESS LIE'

SK130554 Pyongyang Domestic Service in Korean 2151 GMT 11 Jun 86

[NODONG SINMUN 12 June commentary: "The Reptile Bugler's Ugly Features"]

[Text] As was already reported, last January, in West Beirut in Lebanon, a secretary of the South Korean puppet embassy was kidnapped. The South Korean puppets, who suffered shame at that time in attempting to link us with the incident, are again spreading a groundless lie to lay the blame on us for the kidnapping, nearly half a year after the incident. Several days ago, saying that the speaker of the Lebanese National Assembly had said this, Seoul radio raved that we were involved in this incident. However, it was immediately disclosed that the puppets' bugle was a concoction.

Enraged by the attempt to use him as a political plaything, Husayni, president of the Lebanese National Assembly, issued a statement and denounced the puppets' groundless lie. In the statement, he firmly said: Friendship between Lebanon and the DPRK is firm. The DPRK has nothing to do with the kidnapping of the South Korean diplomat. As Husayni said, the kidnapping of the secretary of the South Korean puppet embassy in West Beirut has no relation whatsoever with us. This was unrefutably proven during those early days following the incident. At that time, the organization known as (Al-Mustafa Afini Al-Alam) and the organization known as the Green Brigades said that they kidnapped the secretary of the South Korean puppet embassy.

Before the crystal-clear fact that we have nothing to do with the kidnapping, the puppets have kept silent for many months. However, by basely fabricating what allegedly was said by a Lebanese political figure and spreading this as evidence, they are again attempting to link us with the incident.

This shows how cunning and base the puppets are. Why have the puppets been acting like this of late? Their action displays how extremely frantic and uneasy the Chon Tu-hwan puppet clique is. It is said that a series of international sports games will be held in South Korea. The puppets are now employing all kinds of means to smoothly host the games and to exploit them for the realization of their ambition for long-term office and for the implementation of the two-Koreas policy. However, the situation is not in favor of the puppets. Instead, the nature of the puppets as the heinous fascist hangmen and splittists is being more fully disclosed.

Our sincere efforts, on the contrary, for the independent and peaceful reunification of the country and our proposal for cohosting the Olympic games are being widely supported and praised at home and abroad. The international prestige of our Republic is growing with each passing day. Dismayed by this contradictory situation, the Chon Tu-hwan puppet clique is employing all kinds of means and methods in order to defame the dignity of our Republic and to extricate itself from international isolation. Attempting to link the kidnapping in West Beirut with us is only part of such maneuvers. In indulging in fabrications and in provoking us, the puppets have now moved their stage even to foreign countries and are staging a farce.

Lately, in South Korea, the anti-U.S. struggle for independence and the antidictatorial and antipuppet struggle are being waged more furiously than ever. This struggle is now shaking the foundation of the Chon Tu-hwan puppet clique's rule at its root. This is making puppet traitor Chon Tu-hwan very uneasy. This is precisely the reason why the Chon Tu-hwan puppet clique is linking the overseas incident with us, thus shocking the South Korean people and diverting their attention elsewhere. This is one of the objectives of saying that the kidnapping was our act. The South Korean puppet clique's attempt to far-fetchedly link the kidnapping in Lebanon with us is also a base act aimed at driving a wedge between our country and Lebanon and, thus, fishing in troubled waters.

The South Korean puppet traitor has earned the animosity of the Lebanese people and the peoples of the Arab countries because of his support for the anti-Arab maneuvers of the U.S. imperialists and the Israeli aggressors. He is now trying to escape from this through alienating the Arab peoples from us.

We also have something to say about Seoul radio. Seoul radio has fabricated this groundless fact and has spread it unhesitatingly. This has shown the ugly features of the reptile bugler serving the puppet clique as its mouthpiece. This time, too, the puppets have earned nothing. They have only become losers. Indeed, the South Korean puppet clique is a group of swindlers and political brigands who will do any base and dirty thing to realize their wicked objectives. The act of the puppets in attempting to entangle us groundlessly reveals this to the world.

DPRK-GDR ECONOMIC, CULTURAL AGREEMENT PRAISED

SK121018 Pyongyang KCNA in English 1010 GMT 12 Jun 86

[Text] Pyongyang June 12 (KCNA) -- MINJU CHOSON today dedicates a signed article to the 30th anniversary of the signing of the economic and cultural agreement between Korea and the German Democratic Republic. The article says that economic and cultural exchange and cooperation between the two countries have daily expanded under the agreement which was signed when the great leader President Kim Il-song visited the German Democratic Republic in June 1956. The paper goes on to say:

The friendly and cooperative relations between Korea and the German Democratic Republic have developed in depth with the signing of the treaty of friendship and cooperation between the two countries in 1984 and the agreement on developing economic and scientific-technological cooperation till 1990.

The government and people of our republic are satisfied with the friendly and cooperative relations between the governments and peoples of the two countries developing on good terms on the principles of Marxism-Leninism and proletarian internationalism.

The GDR people, standing firm on the Western outpost of socialism, are striving to defend peace and security in Europe and the world against the imperialists' policies of aggression and war.

The Korean people congratulate the fraternal people of the GDR on their achievements registered in the revolutionary struggle and the work of construction under the leadership of the Socialist Unity Party of Germany headed by Comrade Erich Honecker and express firm solidarity with them in their just cause.

The Korean people are convinced that the traditional relations of friendship and cooperation forged and cemented between the two peoples in their struggle for the common goal and ideal will be in fuller bloom in the future.

COHOSTING ISSUES DISCUSSED AT LAUSANNE MEETING

SK130121 Pyongyang Domestic Service in Korean 2300 GMT 12 Jun 86

[Text] The third joint meeting between the International Olympic Committee [IOC] and North and South Korea was held on 10 and 11 June in the IOC building in Lausanne, Switzerland. Present at the meeting were members of the delegation of the DPRK Olympic Committee headed by Kim Yu-sun, chairman of the committee. Delegation members of the South side's Olympic committee also attended the meeting.

Members of the IOC delegation including IOC President Juan Antonio Samaranch attended the meeting. Reporters of the North and the South and reporters from many nations who came to cover the Lausanne joint meeting were at the site.

The meeting proceeded in closed session in accordance with the agreement. For 2 days, two rounds of talks between members of the IOC and North Korea and between members of the Olympic committees of North and South Korea, as well as a bilateral meeting between our delegation and the IOC were held. At the meeting, various important and principled issues with regard to cohosting the 24th Olympics between North and South Korea, including the issue of allocating the events of the games, were sincerely discussed.

At the meeting, our side put forth further realistic and reasonable proposals and made all sincere and consistent efforts to achieve them.

After the meeting, the IOC president held a press conference with reporters. Prior to the meeting on 9 June, Kim Yu-sun, the senior delegate of our side and chairman of the DPRK Olympic Committee, visited with IOC President Juan Antonio Samaranch. On the evening of 10 June, the IOC arranged a banquet in connection with the opening of the meeting.

VNS ON CHONGWADAE TALKS BETWEEN CHON, YI MIN-U

SK111346 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
5 Jun 86

[Station commentary]

[Text] How are you, everyone? This is an hour for station commentary. Today, in this hour, I will speak about the so-called Chongwadae talks held between Chon Tu-hwan and NKDP President Yi Min-u on 3 June. On 3 June, so-called exclusive talks were held between Chon Tu-hwan and NKDP President Yi Min-u. At the talks, which continued for nearly 2 hours, Chon Tu-hwan reiterated what he said at the talks held on 30 April between the representatives of the three political parties, and presumptuously told the opposition party to do this and that. He also implicitly intimidated the opposition party.

Chon Tu-hwan's remarks and acts at the talks held on the day, views were allegedly exchanged in an open-minded atmosphere, were entirely for the purpose of overcoming the difficult political situation with appeasement and trickery and with intimidation and threat, and at paving a way for power security. Chon Tu-hwan's remarks and acts at the talks held on the day fully show this.

On that day, regarding the question of constitutional amendment put forth by the president of the opposition party, Chon Tu-hwan repeated his former stand to the effect that he would not oppose constitutional amendment if the ruling and opposition parties reach an agreement in the National Assembly. On the question of constitutional amendment, he even said that the sooner, the better. As has already been made known Chon Tu-hwan formerly said that constitutional amendment could be discussed in 1989, following the great national events. As a rationale for this, he said that debate on the question of constitutional amendment will create social disorder and disrupt the national consensus. Why is the Chon Tu-hwan group, which formerly incriminated those discussing constitutional amendment, now hurrying the discussion of the question of constitutional amendment, as if it has suddenly become an angel?

The U.S. paper THE WASHINGTON POST said that observers opine that the opposition party will win victory if a free and fair election is held in South Korea.

It is crystal-clear that the Chon Tu-hwan group, which seeks to prolong its power, will not support constitutional amendment for a direct presidential election system that will allow the eligible voters to exercise their voting rights. Furthermore, it is all too clear that they, who enjoy a majority in the National Assembly, will refuse it. In the final analysis, Chon Tu-hwan's remarks that he would not oppose constitutional amendment if the ruling and opposition parties reach an agreement are a trickery to placate the growing mass movement and the pressure of public opinion waged and exerted for constitutional amendment. At the same time, these remarks are for the purpose of seeking their power security by playing a game of words and killing time by bringing the campaign of constitutional amendment into the National Assembly.

At the talks held on that day, Chon Tu-hwan insulted those who have been detained and then raved that lenience will be extended to the greatest extent possible in accordance with the degree of their offenses and repentance. This is indeed an absurdity similar to the act of giving medicine after causing an illness.

As for those who have been detained, they are the patriots who have struggled to achieve independence and democracy and to bring about a new world on this soil. They have no reason to be detained and they have offended nothing and no one. The Chon Tu-hwan group, which reigns over the people and imposes despotism and dictatorship on them, must be judged by the people for its crimes. Nevertheless, Chon Tu-hwan is attempting to punish the detainees by charging them with having committed violence and arson. This can never be allowed.

Moreover, he said that the investigation of the United Masses Movement for Democracy and Unification [Mintongnyen] will continue and the detention of Rev. Mun Ik-hwan will also continue. This is indeed a crime that can be committed only by the Chon Tu-hwan ring, the group of fascist dictators and military hooligans. On the question of amnesty and reinstatement, Chon Tu-hwan has, it can be said, also disclosed his nature as a hooligan. In a nutshell, Chon Tu-hwan indicated that those who are not obedient to the dictatorial system will not be freed or reinstated.

In addition, at the talks, Chon Tu-hwan presumptuously babbled about the line of the NKDP, and said that the NKDP must sever its relations with someone else. Maybe Chon Tu-hwan mistook the NKDP for the DJP; otherwise, how could he presumptuously tell the opposition party to do this and that? This is indeed a brigandish act that can be committed only by the fascist Chon Tu-hwan group, which indulges in a single-party dictatorship and in fascist despotism.

Thus, Chon Tu-hwan's remarks and acts at the talks on that day were a stereotypical sophism that had no value to consider, and can be taken only as an absurdity to bridge over the crisis of power and to further strengthen the fascist colonial rule through appeasement and deception and through intimidation and threat. If Chon Tu-hwan tries to overcome crisis with such appeasement and deception and with such intimidation and threat, this is only a foolish dream. He must know this clearly. Our people will never be deceived as a result of such clumsy trickery by Chon Tu-hwan, but will continue their unyielding struggle by further raising the anti-U.S. and antifascist banner for national salvation.

NODONG SINMUN ON CHON'S SUPPRESSION OF DISSIDENTS

SK110740 Pyongyang Domestic Service in Korean 2150 GMT 8 Jun 86

[NODONG SINMUN 9 June commentary: "Knife Wielding by a Dictator Who Has Turned His Back on the People"]

[Text] A noteworthy situation is developing in South Korea which is similar to the last stage of the former dictator's Yusin rule. While engaging in tactics of appeasement and deception to hide its treacherous nature and to win the people's favor, the Chon Tu-hwan military fascist clique, which is undergoing a serious political crisis, confronted by the just anti-U.S. and antifascist struggle of the South Korean students and people, is making a frantic attempt more than ever before to find a way out of it through political machinations and knife-wielding.

The Chon Tu-hwan ring, having purposely fabricated the so-called Inchon riot incident with a view to making an excuse for an all-out suppression of the movement of students and people for independence and democracy, is making a big violent fascist gale of arresting, detaining, and searching for many students and figures of various strata, involving many mass organizations including such off-stage opposition organizations as the League of Mass Movement for Democratic Reunification, the Minmintu, the League of Mass Buddhist Movement, the League of Seoul Labor Movement, and the League of the Inchon District Social Movement.

South Korean universities and colleges are now under the seige of armed police, and suppressive armed forces are deployed in the streets and alleys even with armored cars directing their guns at the residents. The military fascist elements are not only suppressing with bayonets the demonstrating students calling for independence and democracy, but are pouncing on them after suffocating them with chemical bombs, arresting them collectively.

Branding Mintongnyon [the League of Mass Movement for Democratic Reunification] as an antistate organization, storming its office with an armed police unit, and setting up a special period for arresting the manipulators of the Inchon riot case, the fascist clique is making a big fuss daily, conducting a search operation, rummaging the campuses, streets, inns, and boarding houses. Because of the violent and brutal suppressive steps of the military fascist clique, South Korea has been turned into a medieval land of darkness rampant with violence under various evil fascist laws and is filled with a terrifying warlike atmosphere. This is, in fact, a state of an undeclared martial law and a second advent of the 17 May fascist violence.

The desperate maneuvers of the Chon Tu-hwan ring, which has fabricated the Inchon riot case and which is conducting an all-out suppressive offensive against Mintongnyon and other patriotic democratic forces, involving them in the case, remind us of the wicked political intrigue in which the Hitler's Nazi clique, half a century ago, fabricated the incident of arson at the National Assembly building and used it as an excuse to suppress the communist party and all other progressive forces. It is a stereotypical tactic of dictators who have turned their backs on the people to fabricate an incident of intrigue whenever they have a serious crisis, confronted by the people's mass resistance, and use it as an excuse for a massive suppressive operation.

In order to justify its violent politics and to paralyze and obliterate the people's will for constitutional revision and aspiration for democratization, the Chon Tu-hwan ring is now making a fuss as though it intended to conduct politics of dialogue, putting forward a theory of grand mutual concession between the ruling and opposition parties and raving about a constitutional revision on the basis of the people's agreement.

Constitutional revision on the basis of the people's agreement can be realized only in the condition in which the masses of all strata can discuss constitutional revision at will free from the social and legal binding forces and in which they can freely participate in social and political life. Then, in order to obtain the people's agreement, it should not suppress the students and the people calling for a revision of the fascist constitution, but should listen to their demands and assertions and take steps to accept them.

The Chon Tu-hwan ring, however, is branding the peaceful rallies and demonstrations of the students and the people calling for constitutional revision for a direct election as a radical leftist riot, tightening the ropes of suppression to block such rallies and demonstrations, deploying many police on the campuses and streets, arresting those who have staged demonstrations calling for a constitutional revision, and persistently refusing to release them, saying that they are procommunist and leftist. It is empty talk and political trickery for them to babble about the people's agreement, while they are putting into practice suppressive politics of not allowing the people even the elementary freedom to express their will and of trampling upon their demands for constitutional revision.

The violence rampant in South Korea is worse than that under the Yusin rule of the previous dictator. Under the Chon Tu-hwan ring's military dictatorship, there is no room for discussion of constitutional revision on the basis of the people's agreement or of politics of dialogue.

The fascist clique is attempting to threaten the people and to frustrate the advance of the people calling for independence and democracy with mean political machinations, but this is a futile attempt.

Forcing the U.S. aggressive forces out of South Korea, restoring national sovereignty, and achieving peace and reunification is the consistent aspiration of all the Korean people in the North, South, and overseas, and terminating the military dictatorship and realizing the democratization of society is the urgent and spontaneous demand of the South Korean people themselves. The anti-U.S., antiwar, antinuclear, and antidictatorship struggle of the South Korean students and people is a just and patriotic struggle to realize this, and, therefore, it has nothing to do with the so-called radical leftist riot.

The South Korean people's anti-U.S. struggle for independence and antifascist struggle for democratization are not prompted by someone's directive or behind-the-scenes manipulation, but are the road indicated by the stern South Korean reality and life. Mean political machinations and knife-wielding cannot stop the advance movement of the South Korean people who have realized the truth, united among themselves, and launched into a struggle. Instead, it will only encourage the resistance of the people for freedom and democracy and further heighten their enthusiasm for struggle.

The Chon Tu-hwan ring should abandon the foolish idea of sustaining the dictatorial power with the rule of bayonets, stop the suppression of the people's movement for independence and democracy, and immediately release the students and figures of various strata who have been unjustly arrested and detained.

NODONG SINMUN CONDEMNS SUPPRESSION OF PROFESSORS

SK111012 Pyongyang Domestic Service in Korean 2151 GMT 10 Jun 86

[NODONG SINMUN 11 June commentary: "The Oppressive Attempt Which Has Disclosed the Fascist Nature"]

[Text] The fascist Chon Tu-hwan military clique, with regard to the statement that South Korean university professors issued on 2 June, is atrociously attempting to intensify the suppression against them. On 7 June, the puppet Ministry of Education said that the professors' statement was a united and organized political act and, in terms of its content, repudiated the system and supported the violence of the radical students. In so doing, the ministry used as intimidation the threat that it would seek so-called countermeasures, including one for individual reprimands.

Earlier, on 3 and 6 June, the puppet clique defamed the professors' statement as a declaration to oppose the system and to disturb political and social stability and deepen campus leftism, as well as an act against the state, thus openly disclosing its oppressive attempt.

The assertions of the university professors, which the fascist Chon Tu-hwan military clique is trying to use as an excuse for suppression, can never become offenses. As has already been reported, in the statement, 265 professors of 23 South Korean universities demanded the rescission of the present fascist Constitution and the establishment of a democratic Constitution. They also called for the establishment of a self-reliant national economy, the fair distribution of wealth, and freedom of the campus and freedom of the press.

Because the Chon Tu-hwan ring has established an atrocious dictatorial regime on the sea of the people's blood and is relentlessly trampling upon the people's freedom and rights, the professors charged the hangmen with violation of human rights and demanded the rescission of the fascist Constitution and the establishment of a democratic constitution to guarantee the people's rights. At the same time, because the fascists are fattening themselves and driving the economy into the corner of submission and bankruptcy by expressing adulation to foreign forces and by selling the interests of the nation, they expressed sympathy with the anti-foreign struggle of the youths, students, and people and demanded the establishment of a self-reliant national economy and the masses' right to existence. In addition, they demanded freedom of the campus and freedom of the press because the fascist group is trampling upon the campus and suppressing the press.

In the statement, the professors said that they were expressing their desire for democracy not to gain the attention of the people or to earn their applause but to fulfill their responsibilities.

At a time when the spirit of the anti-U.S. and antifascist struggle is growing among the South Korean youths, students and people, the professors who love justice and truth added their voices to the people's assertions. This is entirely just, and is an exercise of their rights that no one can block. The professors' assertions are what is unanimously demanded by the people in South Korea, where dictatorial politics and foreign forces are dominant, and are the questions that have become a focal point of world public opinion.

Because of the correctness of its assertions, the professors' statement is arousing great reverberations at home and abroad, and is winning warm support from the South Korean people and the compatriots abroad. Those with sound thinking and reason should lend an ear to the professors' patriotic assertions, which agree with the aspiration of the nation and the voice of the era.

Nevertheless, the Chon Tu-hwan ring is hatching a plot to suppress the professors, while bringing charges against their just assertions. This just shows once again that the Chon Tu-hwan ring is a group of heinous traitors who persistently challenge the aspiration of the nation and the demand of the people, and is a group of fascist hangmen who maintain power by wielding guns and bayonets.

The fascist clique has answered with bestial oppression the demand for independence and democracy put forth by the professors, who have nothing but their bare hands and books. This is by no means an act of the strong but a fit of the weak. By intimidating the professors, the Chon Tu-hwan ring is trying to block the escalation and development of the anti-U.S. and antifascist struggle of the youths, students, and people into a mass movement with the participation of broad strata of the intellectual circles. However, the Chon Tu-hwan ring must clearly realize that no oppression can solve problems and its rampage will only arouse even stronger indignation and resistance among the people and accelerate its self-destruction.

All political prisoners who have been unjustly arrested and detained in South Korea must be released without delay, and fascist dictatorial system must be dissolved, and freedom of press, publication, assembly, and association, as well as freedom of political activities, must be guaranteed.

The one that must be condemned and punished in South Korea is the traitorous Chon Tu-hwan clique which is selling the country and nation by suppressing the people and showing adulation to foreign forces. The Chon Tu-hwan ring must not act recklessly but step down from power without delay, as demanded by the people.

VNS ASSAILS SPEECHES BY NO TAE-U, NO SIN-YONG

SK121238 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
11 Jun 86

[Station commentary]

[Text] In this hour I will talk about the absurd remarks made by No Tae-u, DJP chairman, at the National Assembly. On 9 June, DJP Chairman No Tae-u delivered a speech at the National Assembly. In his speech he babbled that democratization is a task of the times and the DJP will make all sincere and patient efforts to reach an agreement on constitutional revision and achieve satisfactory [word indistinct] in exercising politics for the people and by the people. With regard to the campus issue, he also prattled that, under the banner of new reforms, the DJP will earnestly listen to the youths' sound discussion of reform and widely accept their discussion.

In a report on state affairs made on 7 June, prior to this, Prime Minister No Sin-yong also stated that he will do his best to realize the so-called will of the dictator for democratization, pretending as if Chon Tu-hwan had made a certain determination to rewrite the Constitution within his tenure on the basis of an agreement between the ruling and opposition parties. This is an utterance of a jackal mimicking the cry of a sheep and a contradictory speech and behavior. The speeches and acts of high-ranking figures of the government and the ruling party at the National Assembly are nothing but a mask burlesque of dictators paying no attention to and turning away from realities.

As you know, our people demand the abolition of the current Constitution and the revision of the Constitution into one providing for a direct election system; they claim the release of all prisoners, amnesty and reinstatement, and other most primary rights of democracy. This notwithstanding, Chon Tu-hwan and those concerned with the government and the ruling party have indiscriminately arrested and jailed youths and students, off-stage and opposition party figures, religious figures, and other masses of all walks of life who have demanded the abolition of the Constitution, the revision of the Constitution into one providing for a direct election system, and democracy, and who have rejected aggression by foreign forces. They have arrested and punished by branding them as procommunist and leftist-leaning elements.

To give an example, the Chon Tu-hwan group premeditatedly fabricated the so-called Incheon riot incident and, with this incident as the opportunity, kicked up fascist rackets of arresting, imprisoning, and searching for countless youths, students, and figures of all walks of life by implicating many mass organizations -- the United Masses Movement for Democracy and Unification and the Anti-Imperialist and Antifascist Fighting Committee for the Nation and Democratization, off-stage organizations -- in this incident.

What is worse, they set a special period for the arrest of the behind-the-scenes manipulators of the Incheon riot incident and have raised dins every day, conducting search operations of rummaging through campuses, streets, inns, and boarding houses. Because of the Chon Tu-hwan group's tyrannical and outrageous suppressive measures, this land has been reduced to dark medieval world, in which many kinds of fascist evil laws and illegalities are rampant, and which has been enveloped in a terror-stricken atmosphere. Talking about politics for the people and the will for democratization while exercising the suppression-ruled politics of not permitting even the people's primary freedom of expression and of even trampling underfoot their demand for constitutional revision is a downright lie and political deception.

The Chon Tu-hwan group, not content with suppression by bayonets the students crying for independence and democracy, **fired chemical bombs at them, suffocated them, pounced upon them, and arrested them en masse**, stated that under the banner of new reforms it will eagerly listen to the youths' sound discussion of reform and will widely accept their discussion. It is fully understandable what this means. This cannot be viewed other than meaning that it will label even a slight move by students as a procommunist and leftist-leaning move and suppress it without mercy.

The Chon Tu-hwan group is camouflaging this arbitrary and unilateral attempt with the cloak of democracy and talking as if it will create something soon. This is aimed at pacifying antigovernment sentiment and at coping with crises in its rule by redirecting the people's attention elsewhere. Talking about democracy without throwing out the dagger carried in one's bosom is empty talk and raving about politics for the people while being bent on the politics of violence is also a swindling burlesque. The Chon Tu-hwan group must clearly recognize that with tricks it cannot stop our people's will for independence and democratization and mislead public opinion.

FURTHER REACTION TO ATTEMPT TO SEIZE U.S. EMBASSY

Radio Commentary

SK121045 Pyongyang Domestic Service in Korean 1150 GMT 11 Jun 86

[Commentary by station commentator Kim Kyong-pok: "An Outrageous Act Revealing the True Colors of a Flunkeyist Traitor"]

[Text] According to a report, the Chon Tu-hwan fascist clique arrested nine Korea University students who attempted to seize the American Embassy building in Seoul on 8 June on charges of violating the so-called law on assembly and demonstration. Embarrassed by the anti-U.S. struggle for independence and the antifascist struggle for democracy by South Korean youths and students, the Chon Tu-hwan clique not only arrested en masse all students who rose up in the struggle of seizing the American Cultural Center in Pusan, but also imposed 1 to 3 year prison terms on the 10 students involved in the struggle of occupying the American Cultural Center in Kwangju last year. Such outrageous fascist acts by the Chon Tu-hwan clique are further intolerable criminal acts revealing its true colors as flunkeyist traitors and fascist maniacs.

Speaking of the students who rose up in the struggle to seize the American Embassy in Seoul this time, they are patriotic students. Their attempt to seize the embassy was aimed at appealing to the South Korean people to further strengthen the struggle for the withdrawal of the U.S. imperialist aggression forces from South Korea and against the Chon Tu-hwan dictatorial regime.

The American Embassy, under the signboard of a diplomatic organ, is the headquarters and stronghold of the U.S. imperialists' colonial rule over South Korea. The South Korean students' attempt to seize the American Embassy in Seoul and to call on the U.S. imperialists to withdraw their aggression forces from South Korea was a very righteous and just act reflecting the South Korean people's desire and aspiration not to live any longer under the U.S. imperialists' colonial rule.

The South Korean people have been groaning for over 40 years in a dark society where national dignity and even primary democratic freedoms are being mercilessly trampled underfoot due to the U.S. imperialists' colonial rule and the Chon Tu-hwan treacherous clique's military fascist dictatorship.

Today the South Korean people are standing at the crossroads determining whether they will be continuously forced to live under colonial fascist rule and under a state of colonial bondage, or whether they will safeguard their national dignity and win freedom and democracy through struggle.

In today's reality, in which the U.S. imperialists' colonial rule and subjugation and the outrageous fascist dictatorship have become more unscrupulous as years pass, our youths and students who are burning with patriotism and who do not tolerate injustice cannot sit with folded arms. Staging the anti-U.S. struggle against the U.S. imperialists' organs in South Korea, including the American Embassy in Seoul, constitutes a sacred struggle for national salvation to rescue the country and the nation from crisis. Therefore, this cannot constitute a criminal act, but should be evaluated as a patriotic one.

This notwithstanding, clinging to foreign forces, the Chon Tu-hwan puppet clique is making up to its U.S boss like a puppy wagging its tail in a bid to maintain its dirty life while pouncing, like a pack of fierce wolves, on the people who oppose foreign forces and who want to live independently.

Recently the Chon Tu-hwan puppet clique perpetrated the vicious atrocity of arresting and imprisoning 14 cadre members of the Union of Labor Movement in Seoul, who had indicated to the world the patent fact that the U.S. imperialists beasts perpetrated the rape of a pregnant woman teacher in North Chungchong Province, on charges of spreading so-called vicious false rumors. Such being the situation, as long as the South Korean treasonous and treacherous rascals are left as they are, the independence and democratization of South Korean society cannot be achieved. This is why the South Korean people are struggling against the Chon Tu-hwan clique's dictatorship.

Recently Rev. Mun Ik-hwan warned the Chon Tu-hwan clique, saying that the present government in resorting to violence will perish by violence. In a joint statement on the present political situation, 265 professors from 23 universities throughout South Korea called for the abolition of the current constitution, established to trample underfoot democracy and to systematically legalize the long-term office of the present military gangsters, and bitterly condemned the Chon Tu-hwan clique's crimes of having turned South Korea into a colony and military base of the U.S. imperialists and into a living hell for human beings.

Although the Chon Tu-hwan clique is trying to maintain the U.S. imperialists' colonial rule over South Korea and to maintain its remaining life through fascist suppression, this is indeed a foolish act. Today, the South Korean people are strongly calling for the withdrawal of the U.S. forces from South Korea, declaring that the stationing of the U.S. forces in South Korea is precisely the obstacle to national reunification. This cannot be blocked with anything. Traitor Chon Tu-hwan should not run wild foolishly, but should step down from power as called for by the people.

VNS Commentary

SK110920 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT 10 Jun 86

[Station commentary]

[Text] As has already been reported, the Chon Tu-hwan clique illegally arrested the patriotic students who attempted to occupy the U.S. Embassy in South Korea at 2120 on 8 June.

They are nine patriotic students, including Pak Song-pok, senior in economics at Korea University, and five other male students and Kim Hae-kyong, junior in the statistics department, and two other coeds who attempted to climb the iron fence around the Embassy to occupy it and stage a sit-in strike, carrying with them anti-U.S. leaflets, placards, and a torch.

Prior to this, on 6 June, Yi Ui-sop, a student of the Seoul Municipal College, was arrested and taken to the police while attempting to occupy the U.S. Embassy, carrying with him printed material, including a statement of struggle for democracy and THE NATION and the STARS AND STRIPES.

The occupation, sit-in, raid, and arson directed against buildings and facilities of the U.S. public organizations that have been continuing ever since the sit-in at American Cultural Center in Seoul last May are an eruption of the resentment and indignation against the United States and an expression of our masses' firm anti-U.S. will to end the U.S. occupation of South Korea and the colonial rule and to establish the nation's sovereignty. The attempt of the patriotic students to break into and occupy the U.S. Embassy is a display of our masses' anti-U.S. sentiment and is part of the anti-U.S. struggle for democracy that is daily increasing and expanding.

As is known to every one, through the U.S. occupation of South Korea and its colonial rule, which has continued for the past 40 years, our masses came to realize that the United States is the enemy of our nation, our masses, and democracy. In particular, they again confirmed their will for the anti-U.S. struggle prompted by the Kwangju massacre. This is shown by the fact that the anti-U.S. sentiment is further increasing among the students and the masses from all walks of life, that the anti-U.S. outcry calling for expelling the U.S. imperialists is resounding throughout the country, including Seoul, Pusan, and Kwangju, and that the U.S. buildings have been occupied and raided one after another.

The students' attempt to occupy the U.S. Embassy this time clearly demonstrated our masses' spirit for the anti-U.S. struggle at home and abroad. Although the intentions of the patriotic students who strove to demonstrate our masses' firm will and aspirations for the anti-U.S. cause for democracy after occupying the U.S. embassy were not achieved, their act is a just patriotic struggle that reflected the popular will, and is praiseworthy.

Nevertheless, the Chon Tu-hwan military dictatorial regime arrested the patriotic students and is cruelly interrogating them. This revealed once again the antipopular nature of the Chon Tu-hwan regime, which only adheres to the nation-selling treacherous maneuvers betraying the nation and running counter to the popular will, and the pro-U.S. flunkeyist nation-selling system of the Chon Tu-hwan fascist regime, which is attempting to prolong its power under the U.S. patronage. The fascist dictators who are trying to maintain their lives by betraying the popular will and depending on outside forces will not last long. If the Chon Tu-hwan regime continues maneuvering to prolong power by depending on the United States and repressing with guns and bayonets the bloody outcries of the students and masses who shout "Let us revive with the anti-U.S. cause the nation that collapsed through the pro-U.S. cause!", it will face a more miserable end than that of preceding dictators.

The Chon Tu-hwan regime should unconditionally release the patriotic students who were arrested while struggling for the nation's sovereignty and democracy at the vanguard of the anti-U.S. and anti-fascist struggle for democracy, including those who attempted to occupy the U.S. Embassy. It should immediately step down from power in accordance with the unanimous demand of our masses. The United States should withdraw from this land without delay. The students and the patriotic masses from all walks of life should more courageously wage the anti-U.S. national salvation resistance struggle to expel the U.S. aggressors and to recover the national sovereignty.

SOUTH'S THEORY OF ECONOMIC GROWTH CRITICIZED

SK121120 Pyongyang Domestic Service in Korean 2136 GMT 10 Jun 86

[NODONG SINMUN 11 June special article: "The Bankruptcy of the Theory on Economic Growth Stages in South Korea"]

[Text] Voices criticizing the theory of economic growth stages, which has been a so-called theoretical basis of the puppets' economic policy, have recently been increasingly raised in South Korea. The theory of economic growth stages, which has spread to South Korea, is a reactionary economic theory which the U.S. imperialists had Rostow, a special-class errand boy, fabricate a long time ago with a view to cunningly beautifying and embellishing their neocolonial policy.

Comrade Kim Chong-il, member of the Political Bureau Presidium and secretary of the party Central Committee, has noted: The imperialists are tenaciously seeking the policy of plundering and enslaving the peoples of other countries in a more crafty and insidious manner while adhering to neocolonialism. The U.S. imperialists and the South Korean puppets have actively spread the theory of economic growth stages and other theories on developing underdeveloped countries and have adopted a theoretical basis to justify their colonial economic policy.

On the basis of a reversed social and historical viewpoint, the theory of economic growth stages classifies the course of social economic development into several stages, such as the stage of preconditions for take-off, the stage of take-off, and the stage of the drive to maturity; it arbitrarily assigns countries to these different stages in conformity with the interests of U.S. monopoly capital. Also, the theory contends that those countries in the backward stages can develop when they introduce capital from those countries in the advanced stages, employing the determination that the United States and a series of capitalist countries belong to higher stages and that other countries, including the socialist countries, belong to backward stages.

This theory is the imperialists' anticommunist strategic theory cooked up for the purpose of preventing the underdeveloped countries from advancing along the road toward socialism and of subordinating them to the capitalist economy. Proceeding from their recognition that, by introducing foreign capital even through selling the country and the nation, creating the impression that the economy seems to have grown is a way to maintain their rule, the South Korean puppets have actively adhered to the theory of economic growth stages. The reactionary nature of this theory, which has spread in South Korea, is, first of all, expressed in contending that the South Korean economy can grow only through U.S. aid. Those who advocate this theory argue that a basic way to achieve economic growth lies in the introduction of foreign monopoly capital, changing white into black and brazenly clamoring that preconditions for economic growth are not provided at home, but are given through the impact caused by more developed countries' infiltration from outside. In addition, they say that since savings and accumulation are insufficient because of the vicious circle of poverty, investment should be expanded by introducing foreign capital. It goes without saying how reactionary and treacherous it is to find a basic method for achieving economic development in the introduction of foreign monopoly capital.

That infiltration by monopoly capital precisely brings about political and economic enslavement and tramples national sovereignty underfoot is a principle fully proven by history. When one's capital and technology are bound to others, the life of one's economy is subjected to others' grasp, and later one cannot avoid the fate of colonial slavery. No one but the nation-selling and treacherous South Korean puppet clique and its patronized spokesmen advocate the theory of finding a way for economic development through the introduction of foreign capital, which leaves the country and the nation utterly at the mercy of foreign monopoly capital.

The reactionary nature of the theory of economic growth stages, which has spread in South Korea, is also expressed in stressing the advantages of an economy giving top priority to exports. Today the South Korean economy has been reduced to an abnormal [kihyongchok] and subordinate economy which gives top priority to exports and which cannot be maintained without exports. This is the natural outcome resulting from the infiltration of foreign monopoly capital.

Essentially, exports and foreign trade should aim at developing the national economy and should serve it. When an economy becomes an export-oriented one as seen in South Korea, this economy will have to depend on foreign monopoly capital and foreign markets. Thus, the economy will be subject to the various unfavorable conditions of foreign markets and cannot avoid crises, subjugation, and bankruptcy.

Those who support the theory on economic growth stages in South Korea advocate the advantages of an export-oriented economy. This is nothing but a plot to justify the results of the South Korean puppet clique's policy of a colonial economy that has been reduced to a subordinate object of foreign monopoly capital.

The reactionary and preposterous nature of the theory of economic growth stages is being fully revealed in the phenomenon of crisis in the South Korean economy. Today the South Korean economy has been reduced to a subordinate economy, and to an economy of debt. Thus, it has become a model of a colonial subordinate economy.

The phenomenon of crisis in the South Korean economy can be found from the growth of the South Korean economy raved about by the enemy. In mid-1960's, the spokesmen for the theory of economic growth stages raved that South Korea achieved economic growth and had entered the take-off stage, and that the development of agricultural production and the realization of the foundations for developing transportation, communications, and the power industry represented the very data to prove such growth and take-off. However, their assertions were proposterous and cannot serve as material proving economic growth. South Korea's agriculture has been reduced every year due to implementation of the U.S. imperialists' policy for forcible sale of their surplus agricultural products. As for transportation and communications, they were not part of the growth of the national economy but an act of opening a wide road for the infiltration of foreign capital.

The thoery of economic growth stages noted that a precondition for economic growth is the construction of railways, harbors and roads. However, it is clear that this is a means for the infiltration of the imperialists' capital and for their colonial plunder, and is aimed at achieving essential conditions for turning such facilities into military bases. The fact that the construction of railways, harbors, and roads is a precondition for colonial rule has been proved by the history of the Japanese imperialists' aggression against Korea and by much other history of the imperialists' aggression.

The preposterous nature and the phenomenon of crisis in the theory of economic growth stages have been more clearly shown by the fact that the South Korean economy dashed along the road of crisis in the 1970's and 1980's. We can note this from the GNP growth rate raved about by the enemy. The growth rate of the South Korean economy did not show an increase but dropped every year. In the 1970's it dropped to half the average annual growth rate marked in the 1960's. In the 1980's it dropped to a lower level than one-third the rate and even marked a minus 6.2 percent absolute reduction.

This eloquently shows that the high-speed growth that the rascals loudly raved about is bankrupt. In order to conceal the bankruptcy of such high-speed growth, the U.S. imperialists and the traitor Chon Tu-hwan replaced the slogan of high-speed growth with the words of stable growth and maneuvered to justify such words. With the forcible implementation of the policy of high-speed growth, the South Korean economy has been reduced to the status of comprehensive crisis.

With the infiltration of foreign monopoly capital, including U.S. monopoly capital, the national economy has been obliterated and foreign and domestic comprador enterprises that are in collusion with them are rampaging. Thus, the economy has become a nation-ruining economy and a thoroughly subordinate economy which cannot be maintained without introducing 7 to 8 billion dollars of foreign capital every year.

With the introduction of enormous sums of foreign capital amounting to more than \$60 billion, the South Korean economy has been comprehensively caught in the trap of U.S. monopoly capital and has been reduced to an economy with the greatest debts in the world, one obliged to pay principal and interest amounting to \$6 to 7 billion every year. However, the seriousness lies in the fact that such debts are not decreasing but are rapidly increasing every year. The phenomenon of crisis in the South Korean economy has been shown by the fact that it has been reduced to a subordinate and export-oriented economy. The subordinate and export-oriented economy is a new phenomenon of a colonial economy and has appeared as the result of the extensive introduction of foreign monopoly capital by implementing the policy of high-speed growth, and is an extremely abnormal economy which cannot be maintained without exports.

In order to demonstrate the so-called growth of the South Korean economy, the U.S. imperialists had the (?outlets) of products produced by U.S. monopoly capital that they introduced to South Korea depend on overseas markets, and taking advantage of this, they have gripped the windpipe of the South Korean economy. This is shown by the fact that late last year, the U.S. imperialists forced South Korea to liberalize imports in order to stabilize their economy, which has been driven to a crisis, thus intensifying restrictions on imports of South Korean products as the means for the liberalization. They increased pressure to open the insurance market and to protect intellectual property, and so forth.

With the subordinate nature and weakness of the South Korean economy, large enterprises, not to speak of small and medium enterprises, are going into bankruptcy and are collapsing. As the result of this, an enormous group of unemployed constantly exists, and the people's livelihood is going to ruin with each passing day. Thus, it is not accidental that the South Korean people often make remarks ridiculing the slogan of the U.S. imperialists and the puppet clique on economic growth, branding it as the growth of foreign capital, the growth of foreign debts, and the growth of poverty.

Realities clearly prove that with the introduction of foreign capital, the South Korean economy has neither grown nor strengthened its self-reliant nature but rather has become a thoroughly subordinate economy and an extremely weak one whose structure has been destroyed.

In order to conceal the overall bankruptcy of the South Korean economy, which is in ruins due to enormous foreign debts, and of the theory of economic growth stages, the U.S. imperialists and traitor Chon Tu-hwan are more frantically running amok to embellish and decorate the South Korean economy by bringing those who advocate this theory to the fore. However, they have not been able to upgrade their economic growth stage any higher today, when 20 years have passed since they proudly claimed in the mid-1960's that South Korea was in the take-off stage. This is because the actual status of the South Korean economy is too critical.

Spokesmen for this theory, which is being driven to a corner, are attempting to make excuses about the phenomenon of crisis in the South Korean economy by noting that the South Korean economy depends on the trends of the worldwide economy, and in particular on U.S. economic policy and on restoring the growth rate of its economy. However, they cannot conceal realities with any attempt.

DAILY ON FUNCTIONARIES' ECONOMIC MANAGEMENT

SK120730 Pyongyang Domestic Service in Korean 2140 GMT 9 Jun 86

[NODONG SINMUN 10 June editorial: "Let Us Further Raise the Level of the Functionaries' Economic Management"]

[Text] One of the important tasks facing us at present in implementing the party's demand for regularizing production at a high level is to raise the level of the functionaries' economic management. The great leader Comrade Kim Il-song has taught: We should raise the quality of enterprise management and operation of guidance functionaries in our state and economic organs.

Raising the level of management and operation is an important requirement for our guidance functionaries in performing their mission and duty as commanding staffs of the revolution. Guidance functionaries in economic organs, plants, and enterprises are the commanding staffs of the revolution who directly organize and execute the work to implement the party's economic policy at their respective fields and units and who are directly responsible to the party and the revolution for the work of their respective fields and units. Accordingly, functionaries should have a great wealth of knowledge on economic management and operation and correctly manage and operate the economy with this knowledge.

No matter how well versed functionaries may be in modern science and technology, if the level of their economic management and operation is low, they cannot scientifically and reasonably manage and operate the large-scale economy of the country.

Production reality is very diverse and constantly varies and develops. With the experience they have attained in the past and their subjective views alone, functionaries can by no means correctly manage and operate the large-scale economy of the country, the fields, and units of which are closely connected. Only when functionaries are well versed in modern science and technology and constantly raise their economic management and operation level can they not only correctly organize and mobilize the masses of producers, the masters of the economy, in conformity with the developing economic conditions, but also establish dynamic plans in conformity with the demands of the socialist economic principle and correctly carry out the organizational and guidance work for production and supply in order to carry out these dynamic plans.

For functionaries to raise their economic management and operation level constitutes an important problem because of the realistic requirement for highly displaying the superiority of complex enterprises. Our party has taken epochal measures to organize more complex enterprises in a reasonable manner and to enhance the sense of responsibility and initiative of functionaries. As a result, it has been possible for functionaries at complex enterprises to organize and operate the overall production and management activities in a responsible manner in accordance with the state planning.

In order to regularize production at complex enterprises by correctly conducting the independent economic accounting system in conformity with the transitional character of the socialist society, the materials supply work, cooperative production, and the transportation organizational work should be correctly carried out. To this end, the level of functionaries in their practical business should be enhanced.

Only when functionaries enhance their economic management and operation level and manage and operate complex enterprises in a scientific and reasonable manner can they not only constantly keep increasing production by mobilizing and utilizing undiscovered reserves to the maximum and enhance labor productivity, but also easily discover knotty problems and resolve them in a timely manner.

Knowledge is precisely strength. Without knowledge, functionaries cannot have an insight into the future, cannot correctly carry out their economic guidance work, cannot display their initiative and creative postiveness, and cannot boldly and broadly carry out all work with indomitable fighting spirit and revolutionary zeal.

All economic guidance functionaries and guidance functionaries at complex enterprises in particular should make active efforts to enhance their enterprise management and operation level. In order to enhance their enterprise management and operation level, functionaries should have lofty awareness and sense of responsibility as being the masters of economic guidance and management. The lofty sense of responsibility for the assigned task is precisely the basic trait that guidance functionaries should possess. This is also an important condition determining success of all economic tasks.

Functionaries who have a high sense of responsibility profoundly and substantially grasp and master all problems arising in the management and operation of the economy in order to more correctly and properly carry out their assigned tasks. All functionaries at the economic organs of the state should raise their economic management and operation level from the stand and posture that no one will substitute for themselves in carrying out the revolutionary tasks assigned before their economic fields and units and that they should carry out the revolutionary tasks assigned before their economic fields and units and that they should carry out their assigned tasks by themselves with the spirit of being the masters.

There is no limit to raising the economic management and operation level. No matter how long functionaries may work in their economic fields, if they fail to steadily make efforts for raising their politico-administrative level, they cannot keep their level in conformity with the developing reality. Therefore, functionaries should steadily and sincerely make efforts to raise their politico-administrative level.

The great leader Comrade Kim Il-song's masterpieces and the party's documents are the basic textbooks for our functionaries and the working people. They are also the classical works that functionaries should firmly adhere to in raising their level. These classical works extensively elucidate the political, economic, and cultural tasks arising in every period and stage of the revolution and construction and the methods of implementing these tasks. These classical works also include, in detail, not only the position and role of our functionaries as the commanding staffs of the revolution, but also the principles and methods in the work with the people, the work with facilities, and the work with books.

Therefore, profound study of the great leader Comrade Kil Il-song's masterpieces and the party's documents will make it possible for functionaries to extensively and profoundly grasp and master the theoretical and practical problems arising in the economic management and operation. All functionaries at economic organs should take it as the first step in their work to study the great leader Comrade Kim Il-song's masterpieces and the party's documents.

In particular, economic guidance functionaries should deeply study the great leader's masterpieces and the party's documents regarding economic management and operation. They should also make efforts to obtain knowledge which is directly related to and suitable to the production and technology necessary for their economic fields and units.

Because the economic fields of functionaries are different and the production conditions and facilities in an enterprise are also different, functionaries should make efforts to firmly grasp and understand the economic work and the methods of the economic management and operation, in particular, in their fields and units. They should also deeply study reasonable economic management and operation methods for their economic fields and units. To this end, by steadily studying business economic, functionaries should have profound knowledge not only on the problems arising in the conduct of the independent economic accounting system, but also on economic leverage and the utilization of economic [word indistinct] including the establishment of economic plans, the establishment of contract for material supply, the calculation of cost prices, and the meeting of profits.

In particular, functionaries should rapidly grasp newly presented scientific and technological problems in response to the reality in which the work of making the national economy modernized and scientific is being accelerated. They should well know in modern machine facilities. At the same time, they should also deeply master the principles and use of technological means, including electronic computers. Functionaries should grasp and know in a timely manner the experiences attained by the functionaries of advanced and developed economic units and should thoroughly embody them in production.

Along with this, functionaries should deeply study the regulations and principles that should be abided by in managing and operating complex enterprises and in conducting the independent economic accounting system and should be well versed in this. At the same time, they should thoroughly embody these regulations and principles in the course of production.

Where the economic management and operation work is carried out is precisely production sites. Without participating in the reality, functionaries cannot raise their economic management and operation level nor can they find correct ways for raising their management and operation level. Functionaries should deeply participate in the sites where production and construction are being carried out as called for by the party. There, they should firmly and deeply grasp the situation. At the same time, they should find ways for improving their economic management and operation work and should actively struggle for the realization of the ways.

The responsibility and mission of the education organs in raising the functionaries' economic management and operation level are heavy and great. In an effort to enhance the economic guidance functionaries' economic management and operation level, our party has already founded many regular colleges and has provided them with all conditions under which they can study while working.

Today, our smooth management and operation of the large-scale socialist economy at a high level through our own national cadres is thanks to the fact that our party has fostered numerous national cadres and economic guidance functionaries with farsighted plans. However, the developing reality demands that by further enhancing the role of the education organs we train and foster more functionaries who can manage and operate the economy of our country more scientifically and reasonably.

The education organs should profoundly and extensively teach all problems arising in the economic management and operation work by improving the education method and by correctly using various types of lectures at schools. At the same time, the education organs should produce more textbooks and other school materials necessary for the economic management and operation. It is important to enhance the role of party organizations. Party organizations at all fields and units of the national economy should properly guide and supervise economic guidance functionaries so that they can deeply recognize the importance of their mission for the party and the fatherland and constantly learn new knowledge. Party organizations should ensure working conditions for functionaries so that they can learn and possess a great wealth of knowledge regarding the economic management and operation work. At the same time, party organizations should also thoroughly establish measures to reeducate functionaries in a systematic way.

Raising the economic management and operation level is aimed at more properly carrying out the revolution and construction. It becomes valuable only when contributed to production. All economic guidance functionaries should deeply recognize that raising the economic management and operation level constitutes precisely the work for the party, the revolution, the fatherland, and the people and should constantly study and embody the economic management and operation in production, thereby effecting constant innovations in economic construction.

CONSTRUCTION OF MODERN HOTELS IN DPRK INCREASING

SK130410 Pyongyang KCNA in English 1502 GMT 12 Jun 86

[Text] Pyongyang June 12 (KCNA) -- Many foreign guests are staying in Koryo Hotel. The hotel was built near Pyongyang Railway Station on the occasion of the 40th anniversary of national liberation (August 15, 1985). The total floor space of the 45 storied twin-tower style hotel covers 84,000 square metres and it stands 140 metres high. The hotel has a linkage between its two building at their upper parts and revolving restaurants on their top.

The construction of this kind of hotel is one more miraculous success in breaking new ground in assembling extra-high buildings. Dear Comrade Kim Chong-il indicated the direction of building the hotel on modern lines and took necessary measures for its acceleration. He personally examined a layout of the hotel and gave detailed instructions as to its location, style, height and formation of inner structure. Visting its construction site on several occasions he taught ways for solving new problems arising in its construction.

As the international prestige of the Democratic People's Republic of Korea is rising daily under the wise guidance of the great leader President Kim Il-song, a large number of guests are coming to Pyongyang in an endless stream from Asia, Africa, Latin America and Europe. The state, therefore, has directed great efforts to the construction of hotels. Pyongyang now has such well-appointed hotels as the Potonggang, Changgwangsan, Pyongyang, Taedonggang and Haebangsan Hotels. The tall Changgwangsan Hotel standing on the bank of the River Potong adds to the beauty of Chollima Street in well harmony with its surrounding monumental edifices, such as the People's Palace of Culture, the Pyongyang indoor stadium, the Changgwang Health Complex and the ice rink.

Hotels have been built in scenic spots in different parts of the country. Foreign guests spend pleasant days at world-renowned Mt. Kumgang, Mt. Myohyang and Songdowon and other scenic spots provided with all necessary conditions, lodging and boarding. In Mt. Kumgang there is the Kumgangsan tourist hotel for Koreans visiting the homeland from Japan.

SOUTH-NORTH OLYMPIC TALKS CONCLUDE; VIEWED

ROK To Consider IOC Proposal

SK130036 Seoul THE KOREA HERALD in English 13 Jun 86 p 1

[Text] Sports Minister Pak Se-chik said yesterday that Korea is giving serious consideration to the proposal by the International Olympic Committee (IOC) that North Korea host two events in the 1988 Seoul Summer Olympics. "We will seriously consider the IOC proposal," Pak told reporters.

Pak, who also serves as president of the Seoul Olympic Organizing Committee (SLOOC), said South Korea would consider the IOC proposal only on condition that North Korea honor the IOC Charter and take part in the South Olympics without any conditions.

North Urged To Accept

SK130034 Seoul THE KOREA TIMES in English 13 Jun 86 p 4

[Editorial: "IOC Compromise Bid"]

[Text] Noteworthy is a positive mediation offer which the International Olympic Committee made at the inter-Korean sports talks in Lausanne this week in its strenuous efforts to make the 1988 Summer Olympics in Seoul successful, with the participation of all nations of the world. The proposal offers North Korea to stage two Olympic events -- table tennis and archery -- in return for dropping all claims to the Seoul games. In addition, the 100-km cycle road race would start in the north and finish in Seoul, and one of four groups in the soccer competition would play its matches in Pyongyang. Such an offer of splitting games, even partly, is virtually unprecedented in the annals of the Olympics, as the quadrennial world event is essentially awarded to a city, not necessarily to a country.

Yet, the compromise formula was worked out by the IOC in its obvious attempts to head off North Korea's threats to boycott the Seoul Olympiad and consequently free the Olympic movement, already twice crippled in Moscow and Los Angeles, from any further squabbles on political reasons.

Announcing the proposal at the end of the third round of talks with delegates from South and North Korea, IOC president Juan Antonio Samaranch stressed that it was the committee's "final offer," setting a June 30 deadline for the two Koreas to accept.

Initial response of the Seoul delegation was affirmative, though the formal decision on acceptance would be taken later, with the expectation that the mediation offer, however unusual and unpalatable for the host country, would save the Olympic games for the good of all nations. Whether the IOC proposal will prove to be a real breakthrough or not thus appears to be dependent on Pyongyang, which previously made such absurd demands as the "co-hosting" of the 1988 Olympics or the "equal sharing" of its events with Seoul.

In this respect, North Korea is called upon to throw off its wayward attitude and comply with the mediation proposal, which must be the fruit of perseverance and compromise on the part of the IOC -- and, for that matter, of South Korea as well.

By participating in the Seoul Olympiad with a pledge to abide by the IOC charter and the 1981 IOC ruling that awarded Seoul the right to host the event, Pyongyang may contribute to the advancement of the noble Olympic movement and the international peace and understanding, let alone to reducing tension on the Korean peninsula. It should be noted that the staging of the World Olympics in Seoul, the age-old capital of Korea, is a source of pride for all Koreans, be they residing in the south or north, transcending the postwar phenomenon of ideological and political differences.

THE KOREA HERALD Analyzes Talks

SK130024 Seoul THE KOREA HERALD in English 13 Jun 86 p 4

[Text] The inter-Korean sports talks, designed to head off Pyongyang's boycott of the '88 Seoul Olympics, took a new turn toward uncertainty despite the fact that seemingly remarkable progress was made in the third round of meetings this week in Lausanne, Switzerland. Juan Antonio Samaranch, president of the International Olympic Committee (IOC), summing up two days of meeting in Lausanne Tuesday, announced that IOC has offered to let North Korea host two of the 23 Olympic events during the '88 Summer Olympics in Seoul. The two events are table-tennis and archery. In addition, Samaranch proposed that North Korea organize part of the soccer preliminaries and suggested a 100-km cycle roadrace as a "border crossing" event which would start in the north and finish in Seoul using a route through Panmunjom, a truce village astride the military demarcation line which now serves as the border. IOC officials set a June 30 deadline for South and North Korea to accept the IOC proposal.

If North Korea accepts the IOC plan, it will be tantamount to Pyongyang's dropping of its controversial demand to "equally share the '88 Olympics." But, this would not be enough to remove major stumbling blocks in the way toward a "complete agreement between the south and north on the '88 Seoul Olympics." In offering some of the Olympic sports to North Korea, the IOC president made it clear to the Communists that they would be allowed to host the proposed events only after they openly pledge to honor the IOC charter and the 1981 IOC decision to award the Olympic Games to the city of Seoul. He let it be understood that the events offered to the north would still be conducted under the Jurisdiction of the Seoul Olympic Organizing Committee (SLOOC). The South Korean delegation praised the IOC plan but said the final decision would have to be made by the Seoul government.

The inter-Korean sports talks now seem to be in a cliff-hanging situation and whether the south-north sports talks will continue or not depends on the north. Kim Chong-ha, president of the South Korean Olympic Committee, has expressed contentment in regard to the new IOC proposal. After the meeting, he said that he was pleased with the progress from the latest round of talks. "We are very satisfied," he said.

North Korea's attitude shown during the meeting is also initially interpreted as being responsive to the IOC plan. It was especially noteworthy that the North Korean delegates used a new term when offering to "distribute the Games" instead of "co-hosting," the previous controversial word.

But, the future of the sports talks is still obscure. Before the 1964 Tokyo Olympics, there were similar inter-Korean sports talks to form a single team for the Games. At that time, considerable progress was made between the south and the north, as both sides agreed to name the Korean folk song "Arirang" as the official anthem of a joint Korean team. However, the talks bogged down at the last minute when the north tried to inject politics into the sports conference.

KYODO Views Negotiations

OW120841 Tokyo KYODO in English 0831 GMT 12 Jun 86

[By Masaya Kokubo]

[Text] Tokyo, June 12 KYODO -- The proposal made by the International Olympic Committee (IOC) at the end of the third round of talks between North and South Korea on the 1988 Olympic Games held in Lausanne, Switzerland, Wednesday will have extensive repercussions, IOC sources said Thursday. The proposal that both Koreas report to the IOC "by the end of June" on their response to the proposal on which Olympic sports North Korea can stage was intended to avert a possible outright refusal by North Korea, according to the sources. If both agree on the proposal, which calls for South Korea to grant the communist north complete table tennis and archery events, along with the preliminaries for soccer and cycling, the IOC will call further talks probably in July.

While top officials of both Koreas generally welcomed the proposal, the outlook remains clouded, the sources said. For South Korea, holding the Seoul Olympics transcends the realm of a mere sporting extravaganza and is a big national event. Since countries like the Soviet Union and China are expected to participate, South Korea can ignore North Korea if it really wants to, they said.

But participation of the communist north, from which Korea is divided at the 38 parallel, will have an effect of dramatizing the Olympics, while at the same time dissipating fears of a boycott by some East European countries. For its part, North Korea wants to avoid any unnecessary friction with Western nations at a time when the country is about to address itself to promoting its open economy policy. The communist country also does not want to be isolated from other Eastern Bloc countries by going ahead with a boycott for which few supporters are expected.

IOC President Juan Antonio Samaranch of Spain, who is playing the role of mediator between the two Koreas, has his own ulterior motives, according to the sources. The Spanish port city of Barcelona is bidding against five other cities for the right to host the 1992 Summer Olympics and selection will be made at the IOC's General Assembly in October. Under such circumstances, it would be small wonder if Samaranch gave thoughts to protecting his IOC influence -- which would be severely damaged by a rupture of the talks, they said.

More rough sailing is in store in the fourth talks, if they materialize, as the parties concerned will have to discuss many ticklish issues purposely avoided in the just-ended talks. These issues are:

(1) Nomenclature of the Olympics.

While Article 58 of the Olympic charter clearly states that the name of the host city should be mentioned, North Korea is unlikely to use the term "The Seoul Olympics" for those sports events which it hosts.

(2) Free border passage.

If some events are held in North Korea, about 30,000 athletes, officials, journalists and fans are expected to ply between the countries. While ideas like connecting railroad lines between Pyongyang and Seoul and opening an air route between the countries were on the lips of North Korean sports officials, it would be unrealistic for them to be put into practice in view of the security problem between the two countries.

(3) Fees on television broadcasting rights.

NBC Television of the United States, which last March signed a contract to pay a minimum 300 million dollars for sole U.S. broadcasting rights for the 1988 Olympics, might require renegotiation of its payment if some sports events are transferred to North Korea. Since the fees will be the major financial source for the Olympics, South Korea would not yield on anything that might reduce the amount. For its part, North Korea does not seem likely to let the U.S. TV company broadcast the sports events free of charge.

(4) Formation of a unified team.

Although North Korea did not raise the issue in the just-ended talks, the country did bring it up in the previous two rounds of talks. Chances are North Korea will raise the issue in future talks.

NO SIN-YONG CALLS FOR SUCCESSFUL ASIAD HOSTING

SK120758 Seoul YONHAP in English 0742 GMT 12 Jun 86

[Text] Seoul, June 12 (YONHAP) -- Prime Minister No Sin-yong Thursday called on the cabinet to gear up preparations for the successful hosting of the Asian Games, slated for Sept. 20 to Oct. 5 in Seoul. In a cabinet session over which he presided, No said that with just 100 days left before the opening of the Asiad, security measures should be stepped up around the Olympic stadium and other sports facilities.

He also pointed out that some public officials are formulating policies based on "desk statistics" and instructed the ministers to supervise the officials so that statistics and policies are produced on the spot. The prime minister said that a trend toward wasting energy, including gasoline, has emerged since oil prices began to drop, and that public organizations should take the lead in conserving energy.

USFK LABOR DISPUTE SETTLED, ACCORDS REACHED

SK130106 Seoul THE KOREA TIMES in English 13 Jun 86 p 8

[Text] The United States Forces Korea (USFK) and its Korean employees reached accords on major issues yesterday, winding up its two-week long labor disputes. According to the Korean workers' union, the US military authorities agreed to save some 300 Korean employees among 760 who were originally subject to layoff by this September. The two sides also agreed upon 6.9 percent wage hike for this year.

In protest of the layoff plan and other poor working conditions, some 23,000 Korean workers staged a one-day long walk-out on May 30.

Kang In-sik, president of the Korean workers labor union of the USFK, said that the U.S. side made a promise to do their utmost to meet other demands. He added that it was fortunate for the two sides to settle the disputes through dialogue.

General William J. Livsey, commander of the USFK was learned to have said that he would seek cooperation from the US Defense Department to deal with other unsettled issues. Concerning a demand of the trade union not to recruit family members of U.S. soldiers in violation of the local Employment Act, the U.S. side said it will submit the issue to SOFA (Status of Forces Agreement) for settlement.

OPPOSITION OBJECTS TO U.S. CIGARETTE, BEEF IMPORTS

SK130120 Seoul THE KOREA TIMES in English 13 Jun 86 p 1

[Text] A heated debate erupted between the government and opposition parties over the U.S. urged imports of American cigarettes and beef in a House questioning session about economic matters yesterday. Opposition lawmakers pressed the administration not to import foreign cigarettes and beef to protect farmers.

The controversy started when Deputy Premier-Economic Planning Minister Kim Man-che indicated that their imports would be inevitable in the face of mounting pressures by the United States. He said: "Taiwan allowed imports of foreign cigarettes 20 years ago, Japan 30 years ago, and most of world countries have opened their markets. It is true that Korea, as the 17th largest trading country on the globe exporting goods worth \$30 billion a year, is being pressed by developed nations to open its door. The government will delay the opening for the imports as much as possible. The government will try to minimize ill-effects of the cigarettes import by limiting the scope of the market opening."

At this remark, opposition lawmakers shouted out their disapproval from their seat, some of them standing up. One of them said, "You should make a commitment now, and give us a clear-cut answer not to import them."

Rep. Ham Chong-han of the second opposition Korea National Party took the rostrum and said: "Should we import American cigarettes in order to protect American farmers? Should we import them in order to help American congressmen be reelected? You have to know that a no-smoking campaign is spreading all over the world, particularly in the United States. Are you going to make even our children smoke?" Then, he reminded Kim of students' slogan, "Yankee go home."

Kim stood at the rostrum again to explain: "We policy makers have to consider both economic and political aspects in formulating trade policies. The principle is to give and take. Our exports of footwear, electronic goods, automobiles and garments should not be restricted due to minor things (imports of cigarettes and beef)." As to the import of beef, he made clear that it would not be imported until domestic prices of cattle and supply of beef are stabilized.

Earlier in the session ruling opposition Assemblymen inquired as to the problem of business conglomerates and other economic ills. They also questioned government officials on counter-measures on accumulating foreign debts, difficulties in the rural economy, and declining small and medium-size industries.

Taking the floor first, Rep. U Pyong-kyu of the ruling Democratic Justice Party pointed out: "The big business conglomerates encroach upon the proper areas of small and medium-size industries, while disregarding what they should do for the prosperity of the national economy." He demanded the government reveal measures to prevent the annexation of business firms and the plan to revise tax statutes, including the Inheritance Tax Law, to deal with "wealth bequeathal."

FOREIGN-INVESTED FIRMS ALLOWED ELECTRONICS SALES

SK130654 Seoul YONHAP in English 0623 GMT 13 Jun 86

[Text] Seoul, June 13 (YONHAP) -- The South Korean Government plans to lift its restrictions on the domestic sale of electric home appliances manufactured by Korean firms incorporated by foreign investors.

Through the move, which will be implemented on June 16, the government hopes to expedite foreign investments. The lifting of the restrictions will be accompanied by the liberalization of imported color TV sets.

Under the decision, made Friday by the Trade and Industry Ministry, Korean firms established with 100 percent foreign investments will be able to sell their products on the domestic market without restriction. The Korean Government previously allowed firms set up with 100 percent foreign investment to sell up to 50 percent of their export totals on the domestic market and permitted companies established with 50 percent or less foreign equity and concerns with the exclusive right to use foreign trade marks to sell 100 percent of their products in Korea.

The Trade and Industry Ministry decided to completely remove the restrictions because they will be meaningless with the coming liberalization of imports and foreign trade marks, scheduled for July 1.

The firms that will be affected by the decision are Yisung Electronics Co., a cassette tape recorder manufacturer (87.25 percent of its paid-in capital is from U.S. investors); Quantronics Manufacturing Co. of Korea, a producer of black and white TV sets (100 percent of its investments are from a Hong Kong firm); and Korea Sharp, an audio goods maker (50 percent of its capital was invested by foreigners), according to the ministry.

Analysts said that the move is likely to spur direct competition between Korean and foreign firms on the domestic market because it will open the door completely for the advancement of foreign firms into the Korean market. They expressed particular concern about the entry of foreign firms into the domestic video tape recorder and compact disc markets because the importation of those products has not yet been liberalized. The ministry said that the foreign-invested firms will have to use domestically produced parts in their products as Korean companies are required to do.

CHON CALLS FOR FOSTERING OF SMALL ENTERPRISES

SK130101 Seoul THE KOREA TIMES in English 13 Jun 86 p 1

[Text] President Chon Tu-hwan yesterday called for increased administrative efforts to stimulate the localization of component parts by small-and-medium enterprises. Both administrative organs and large scale enterprises are advised to preferentially purchase the component parts developed by small businesses, Chon told a briefing session for the fostering of small businesses. The two-hour Chongwadae policy briefing session was attended by Deputy Premier-Economic Planning Minister Kim Man-che, Science-Technology Minister Chon Hak-che, and the governors of some major banks.

The President told them, "We should lay the firm foundation for another economic take-off by further solidifying our economic structure through the fostering of small enterprises." President Chon predicted that the future economy of the world will be led by countries with many sound small-and-medium enterprises.

Chon then asked for increased administrative guidance to prevent small firms from recklessly expanding their business, which he said will be liable to collapse. The Chief Executive also told the relevant administration to work out measures to control the copying of products developed by other firms.

Later in the afternoon, President Chon gave a tea party to about 40 citizens who have much contributed to helping war veterans and their families.

PARENTS OF ACTIVISTS STAGE SIT-IN AT NKDP OFFICE

SK130057 Seoul THE KOREA HERALD in English 13 Jun 86 p 4

[From the "Out and About" column]

[Text] Nineteen parents of those arrested on charges stemming from a turmoil in Incheon on May 3, staged a sit-in demonstration at the NKDP head office yesterday. They came into the party head office shortly after 25 mothers of those imprisoned on charges related to espionage cases returned home after a two-hour meeting with party advisor Kim Yong-san. They demanded to meet NKDP president Yi Min-u and that their sons and daughters be released. On May 3, some students and laborers staged a fierce demonstration in the port city, upstaging and opposition rally.

MISSION MEMBERS STAGE SIT-IN PROTESTING SEARCH

SK130049 Seoul THE KOREA HERALD in English 13 Jun 86 p 8

[Text] About 50 members of the Urban Industrial Mission [UIM] in Seoul staged a four-hour sit-in from 10 p.m. Wednesday to protest the recent police searches of "Songmunbak Church." The church houses the mission headquarters. In a statement, the churchmen claimed that the police action was a repression of religious activities. Plainclothesmen entered the church in Yongdungpo twice last week in search of antigovernment leaflets. The search was reported to have stemmed from a confession by two female factory workers that they had obtained fliers from the church building.

STUDENTS THROW MOLOTOV COCKTAILS AT POLICE BOX

SK070047 Seoul THE KOREA TIMES in English 7 Jun 86 p 8

[Text] About 50 university students in Seoul hurled stones and fire bombs at a police box near Kimpo International Airport Thursday afternoon, breaking two large window glasses. The demonstrators chanted antigovernment slogans while throwing several gasoline fire bombs and stones at the police box. A sophomore of Hankuk University of Foreign Studies and 20 other students were whisked away for questioning. Police confiscated two antigovernment placards and about 200 fliers from the demonstrators.

STUDENT TO BE PUNISHED FOR BURNING SCHOOL FLAG

SK070045 Seoul THE KOREA HERALD in English 7 Jun 86 p 8

[Text] Seoul National University plans to take a stern punitive action against the student who burned a university flag Wednesday. A university source said yesterday that "burning a university flag is an act which cannot be justified under any circumstances and the student involved should receive heavy disciplinary measures."

The flag was lowered from a flag post and set afire during a rally staged by about 300 students who were protesting the removal of an altar the students had set up at the Student Hall in memory of some students who lost their lives in connection with rallies and demonstrations. The students also smashed more than 200 windows of the school main building. The source said the student in question has not been ferreted out. The school is expected to seek him out with testimonies by eyewitnesses and other reference materials.

SRV, PRK FORCES SAID TO ATTACK RANGERS' TRUCK

BK120908 Bangkok BANGKOK WORLD in English 12 Jun 86 p 3

[Text] Sisaket -- A six-wheel truck of a Ranger unit was attacked by a combined force of Heng Samrin-Vietnamese soldiers who intruded into a remote area of Kantharalak District in this northeastern province on Monday, police said. No one was injured in the incident.

The Ranger unit was travelling along the Sok Kha Pom-Kantharalak Road about 2:30 p.m. when it was fired upon. The truck was damaged by the gunfire from the intruders who later crossed the border back into Kampuchea, police said.

ASA REPLIES TO LAO FOREIGN MINISTRY STATEMENT

BK120938 Bangkok NAE0 NA in Thai 12 Jun 86 p 3

[Text] Asa Sarasin, permanent secretary for foreign affairs, has rejected Laos' proposal for talks, saying national-level talks can materialize only after local-level relations have improved. He said this during a meeting with newsmen on the evening of 11 June. This is the first reaction to the Lao Foreign Ministry's communique, issued on 6 June, by any senior Thai official.

Asa said the dispute with Laos over the three border villages has ceased to be a problem because Thailand withdrew all its soldiers from the area some time ago. Thailand does not regard the three villages as belonging to Laos but wants to avoid conflict. The two countries still have to settle the ownership of the three villages.

Asa said a climate of cooperation and improved ties at the local level must be achieved before national-level talks can begin because Thailand does not want to see Laos become a tool of Vietnam. "We are sincere and have a clear policy toward Laos. I want to emphasize our goodwill toward the Lao people. The Thai and Lao peoples have a similar culture and a common religion and language. Why, then, should we be hostile to Laos? But we can not accept Vietnamese exploitation of Laos to the detriment of relations between the Thai and Lao peoples."

On 6 June, commemorating what the Lao Foreign Ministry called the 2d anniversary of aggression against the three Lao villages, the Lao Foreign Ministry issued a communique calling for a meeting of Thai and Lao Foreign Ministry-level officials to prepare an agenda for government-level talks. The Thai permanent secretary for foreign affairs said, however, that preparing an agenda is not important. What is important is establishing a good climate at the local level first.

VIETNAM SAID RESPONSIBLE FOR 29 MAY SHELLING

BK130256 Bangkok Domestic Service In Thai 0000 GMT 13 Jun 86

[Text] The Supreme Command Information Office reported that military specialists have examined shells which landed at the Cambodian refugee camp, site 8, in Khlong Ht subdistrict of Prachin Buri Province on 29 May 1986 and the holes in the ground made by their explosion which killed and wounded several Cambodian civilians in the area.

The result of the examination indicates that shells were fired by heavy weapons of 85 and 122 mm caliber. Only the Vietnamese troops in Cambodia have such weapons.

The earlier denial made by Vietnam regarding the atrocities against the Cambodian refugees and the oppression of the Cambodian people inside Cambodia, by citing accounts given by officials of international relief agencies operating in the area, is groundless and constitutes a lie to the world community.

THAILAND TO RELEASE SOVIET AID TO LAOS 'SOON'

BK130155 Bangkok THE NATION in English 13 Jun 86 p 5

[Excerpt] Laos should notify Thailand in advance of the content of products it imports through Thailand to avoid any future complication, a senior Thai official said yesterday.

Asa Sarasin, the Permanent Secretary for Foreign Affairs, said Wednesday that Thailand has no intention to withhold foreign products destined for Laos. The permanent secretary said advance notifications is essential for the process of imported goods destined for Laos as required by Thai custom regulations. Asa was speaking to reporters in response to a report that Thailand was withholding 120 tons of asphalt sent from the Soviet Union to Laos.

An informed source said that Thailand will soon allow the asphalt to be transferred to Laos. No reason has been given for the withholding of the product but it is understood that it is considered to be of a "strategic nature." Thailand prohibits export of "strategic goods" to Laos for security reason.

Commenting on the current state of the Thai-Laotian relations, Asa said the people-to-people ties have been very good. "We want to see closer relations between the two countries," he said.

Vientiane last week issued a statement criticizing Thailand for the dispute over the three villages on the Thai-Laotian border which has entered its second year.

Asa said Thailand will not negotiate with Laos over the dispute because all the Thai troops had already been withdrawn from the disputed areas.

ASEAN TO RAISE U.S. FARM ACT ISSUE IN MANILA

BK130119 Bangkok THE NATION in English 13 Jun 86 p 2

[Text] Thailand and ASEAN will stress the negative repercussion of the Farm Act in the forthcoming meeting between their foreign ministers and those from the United States and Economic Community, an informed foreign ministry source told THE NATION yesterday.

At the post-ASEAN Ministerial meetings with dialogue partners, particularly the U.S. and EC, ASEAN will express its dissatisfaction with the U.S. Farm Act, which provides substantive subsidy for the U.S. agricultural exports and the measures adopted by EC to subsidize the farm industry, according to the source.

The source also said that Thailand will ask for support from ASEAN in holding a meeting here among non-subsidized agricultural export countries to further explore actions to counter the rise in protectionism and agricultural subsidies.

The source said that Thailand has agreed to meet U.S. Secretary of State George Shultz, who has proposed to meet ASEAN foreign ministers for 30 minutes each.

Deputy Foreign Minister Arun Phanuphong, who will lead the Thai delegation, which will also meet Joe Clark, the Canadian foreign minister. Thailand is the ASEAN coordinator for Canada in the discussion to be held in Manila this year.

RADIO, TV BOARD ON FREQUENCIES, ELECTION CAMPAIGN

BK121000 Bangkok Domestic Service in Thai 1300 GMT 11 Jun 86

[Text] The 5th annual meeting of the Radio and Television Administrative Board was held at Government House at 0930 today. The meeting, chaired by Deputy Prime Minister General Prachuap Suntharangkun, approved television frequencies for the Public Relations Department's eight television stations to be set up in the following provinces: Sakon Nakhon, Loei, Nakhon Ratchasima, Trang, Chiang Rai, Mae Hong Son, Nan, and Trat. It also approved television frequencies for the Mass Communications Organization of Thailand to use in setting up 25 relay stations of Color Television Channels 9 and 3 in the following provinces: Trat, Nakhon Sawan, Prachin Buri, Prachuap Khirikhan, Chiang Rai, Tak, Nan, Phitsanulok, Phrae, Mae Hong Son, Lampang, Nakhon Ratchasima, Phetchabun, Loei, Sakon Nakhon, Surin, Udon Thani, Chumphon, Trang, Nakhon Si Thammarat, Phuket, Ranong, Surat Thani, Satun, and Yala.

Concerning radio, the meeting approved an additional AM frequency of 1,179 kHz for the Supreme Command's Coordination Center for the Central Security Command radio station in Mae Chan District, Chiang Rai Province.

The meeting also studied the Public Relations Department's procedure on political campaigning on radio and television under the regulations set by the Radio and Television Administrative Board. The Public Relations Department has appointed a committee and a subcommittee to censor political campaign scripts from political parties both in Bangkok and the provinces. They are stationed at four centers -- in Khon Kaen, which is in charge of the northeast; in Lampang, which is in charge of the north; in Hat Yai, which is in charge of the lower southern part; and in Surat Thani for the upper southern part. Political parties may apply for radio time at the center responsible for the relevant province from now on. According to the Public Relations Department, each party must submit three different scripts in quadruplicate to the department for censoring. In Bangkok, political parties can submit their campaign scripts to the Legal Division, the Public Relations Department, Ratchadamnoen Klang Road. In the provinces, they can submit the scripts at the various centers mentioned above. The Public Relations Department will begin broadcasting election campaign items for the parties applying for radio time beginning 16 June. The service is free of charge.

The meeting then took up other topics and adjourned at 1100.

ROLE OF PARTIES IN JULY ELECTION DISCUSSED

BK121057 [Editorial Report] Three Thai language dailies -- THAI RAT, NAE0 NA, and SIAM RAT -- on 12 June carry editorials on the 27 July election. The 800-word THAI RAT editorial, on page 3, entitled: "A Lesson for Political Parties," notes that several political parties have found it financially difficult to field the required 174 candidates, a problem that "causes some people to feel that the Constitution is not conducive to the existence of small parties." The editorial, however, says the Constitution aims at strengthening the political parties system by limiting the number of parties, "an abundance of which causes political instability."

The THAI RAT editorial continues: "The 27 July election will teach political parties a lesson. Small parties can grow bigger if they build up a popular base. Political parties must have clear and firm policies and must try to expand. They must not try just to fill membership ranks to meet the legal requirement, but must conduct regular political activities in order to broaden their bases. Political parties will face no financial problem if they have a broad popular base."

The 800-word NAE0 NA Page 4 editorial, entitled: "Political Parties" notes the requirement that every party contesting in the 27 July election must field a minimum of 174 candidates, and says this requirement has forced some small parties to resort to "hiring people to run under their names." It says the leader of the Social Democratic Party reportedly will dissolve his party because he could not find enough candidates to meet the requirement. The editorial sympathizes with the small parties facing the problem but says: "Party administrators must try to establish a genuine popular base for their parties. Parties should not be merely a collection of a few people, who campaign only at election time to find candidates to run on their behalf, paying no attention to whether they agree with the parties' policies or philosophy."

The NAE0 NA editorial concludes: "Political parties must have a popular base and act as a center around which to rally people having similar ideas, policies, and interests. They also must have a strong administrative system to enable them to expand step by step to eventually be ready to assume the task of national administration."

The 700-word SIAM RAT page 5 editorial entitled: "How Should People Use Their Right To Vote?" says the absence of a party having absolute majority in the parliament, which led to a problem in the formation of a government and appointment of a prime minister, should be avoided in the 27 July election. It points out that during the tenure of the Prem government, problems in the Parliament and the cabinet all resulted from the fact that no party had absolute majority in the Parliament. It says: "To prevent a government like the present one coming to power again, we appeal to voters to vote in such a way that will give any party a sufficient number of MP's to form a government by itself. If voters do this, they will have a prime minister of their choice who will work closely with them for a full 4-year term."

NO 'NOTABLE PROGRESS' IN U.S.-SRV MIA TALKS

BK131106 Hong Kong AFP in English 1101 GMT 13 Jun 86

[By Laurent Maillard]

[Text] Hanoi, June 13 (AFP) -- Vietnamese and U.S. experts ended talks here Friday on U.S. servicemen listed as missing in action (MIA) during the Vietnam war without making any notable progress. The two sides met for five hours Thursday and Friday in an atmosphere that was more tense and less cordial than previous meetings, observers said.

Colonel Joe Harvey, director of the Hawaii-based U.S. Armed Forces Joint Casualty Resolution Center, declined to comment on the discussions, saying only that they were "productive and positive."

"It went well," said Nguyen Can, interim director of the Vietnamese department charged with searching for MIA's, adding that no date for a new round of discussions had been set.

The talks did not uncover any new information on the 1,792 U.S. servicemen still listed as MIA's by Washington, and were restricted to previously-discussed cases, he said.

Vietnam supplied the U.S. team with information on 21 of the 70 cases that Hanoi has been following since the beginning of the year, Mr Can said. "of those 21 cases, 11 have not been solved, but some of the 10 others could produce results," he said.

The last round of talks, held in February, led to Vietnam turning 21 sets of remains over to U.S. authorities on April 10.

Mr Can confirmed that the possibility of conducting further joint excavations of sites where MIAs are believed to be buried had been raised during the talks. "Their date and place still needs to be discussed," he said.

In principle, meetings between U.S. and Vietnamese experts on the MIA question have been held every two months. But talks scheduled for April were cancelled by Hanoi as an official protest against the U.S. bombing of Libya.

There have been other indications recently that the talks are at an impasse, observers said, noting statements by Vietnamese officials in April that the search for MIAs was linked to a "more constructive" attitude from Washington. Hanoi has accused Washington of not cooperating in the search for MIAs and for refusing to make a formal commitment to Vietnam's two-year plan aimed at resolving the problem. It has also criticised the contention of some U.S. officials that MIAs were still being held in Vietnam.

Vietnamese officials, asked about the apparent stagnation of the talks, would only reiterate that "Vietnam considers resolving the problem of MIAs a humanitarian question."

The United States considers resolution of the MIA question a condition to an eventual normalization of relations with Hanoi. Vietnam has returned 128 sets of remains over to the U.S. since the MIA talks began in late 1982.

REACTION TO PRC SHELLING OF CHILDREN'S CAMP

QUAN DOI NHAN DAN Report

BK111213 Hanoi International Service in English 1000 GMT 11 Jun 86

[Text] The army paper QUAN DOI NHAN DAN ran an article denouncing the Chinese expansionists' crimes against the Vietnamese children. On the International Children's Day, 1 June, Chinese troops fired hundreds of artillery rounds at summer camps of Vietnamese children and teachers in Quang Ba District, Ha Tuyen Province, killing two children and seriously wounding one teacher and five pupils. On that day, like children in other parts of the country and the world, the pupils and teachers of the Quyet Tien Basic General School celebrated the International Children's Day and was camping near a lake on the foot of a mountain 10 km deep inside the Vietnamese territory. Four colorful camps were set up on a bright sunny day and the children were playing, singing, and laughing and enjoying their games. They did not know that from the other side of the border, the enemy's artillery pieces were directing at them. At noon, the children took a rest so that they would attend a meeting to celebrate the International Children's Day in the afternoon.

Ms Nguyen Thi Loi, a teacher of the school, told us that when the children rehearsed the national anthem and the song of the Young Pioneer Brigade, Chinese troops opened fire. It was about 1500 that the first Chinese artillery shell hit a place only 300 meters from the camp. Hearing the explosion, the pupils were ordered to lay down and were directed to take shelter nearby. The second shell fell only 25 meters from the pupils.

Vang Thi Kim, a 10-year-old girl of the (M'ngong) ethnic minority, was immediately killed by a shrapnel; and Tra Vu May, a boy of 8 years old of Dao ethnic minority, also lost his life. Teacher Luu Thinh Phu was wounded by the third shell when he was leading the pupils to take shelter. Hoang Xuan Phu, a 12-year-old boy who was tending buffalo nearby, was injured by eight shrapnels. His two buffalo were killed.

Within only 7 seconds, Chinese troops slammed the area with 16 artillery shells. Pham Van Tu, principal of the Quyet Tien Basic General School, said Chinese troops have on many occasions opened fire at the school. On 9 August 1984, Chinese artillery shells destroyed a classroom; and 5 days later, Chinese artillery shells hit the school campus.

The people in Ha Giang town and the Vietnamese people have not yet forgotten the killing of two pupils by Chinese artillery shells last year when they just returned home from their examination. Many children in the five border villages of Quang Ba District, Ha Tuyen Province, were kidnapped or brutally killed by Chinese troops. On 8 March this year, they kidnapped a 13-year-old son of village vice chairman (Cao Ma Po). They killed the boy and threw his body into a mountain pass.

The enemy is very brutal, but their brutality cannot frighten the people of all nationalities in Quang Ba District.

Vu Dinh Vinh Commentary

BK130539 Hanoi Domestic Service in Vietnamese 1400 GMT 12 Jun 86

[Station Editor Vu Dinh Vinh "feature": "Heighten Vigilance for National Defense"]

[Excerpt] Dear comrades and friends: The committee investigating Chinese expansionist-hegemonist crimes of aggressive war issued a communique recently denouncing the Chinese aggressors' barbarous crime of killing Vietnamese children in Ha Tuyen Province on International Children's Day, 1 June.

Our correspondent, Comrade Tran Thanh Vien, and QUAN DOI NHAN DAN and VNA correspondents have gone to the scene to get an eye-witness account of the incident, that presents an irrefutable fact about this wilful criminal act of the Chinese authorities.

On 1 June at 1500 [0000 GMT] at Quyet Tien village, located deep inside our territory, over 10 km from the Sino-Vietnamese border as the crow flies, in Quan Ba District of Ha Tuyen Province, where students and teachers of the basic general school were camping and enjoying themselves on International Children's Day, the Chinese authorities ordered their soldiers to fire repeatedly hundreds of artillery shells there. Chinese artillery shells killed two students -- Vang Thi Kim, a 10-year old girl of the Nung ethnic group, and Chao U-May, an 8-year old boy of the Dao ethnic group -- and seriously wounded one teacher and five other students. All of the students' camping equipment and tools were destroyed. Meanwhile, the Chinese soldiers wantonly shelled the Duong Tinh, Lao Giang, Dac Tun, Khau Kha, Tung, and Dang hamlets of Quyet Tien village, burning over 20 houses and killing a large number of domestic animals of the local compatriots.

This was not an act by mistake. In recent years, Chinese soldiers have fired artillery shells into the school of our children at Quyet Tien village on many occasions. For instance, on 9 August 1984, Chinese artillery shells destroyed a building of the school, and on 14 August 1984, Chinese artillery shells again landed on the school's playground.

We still remember that 2 years ago, during the last days of May 1985, Chinese soldiers fired artillery shells into Ha Giang City, killing many civilians, including students who were on their way home from an examination.

Apart from those killed by Chinese artillery shells, many other children in the five border villages of Quan Ba have also been abducted or inhumanly murdered by Chinese soldiers. For instance, on 8 March of this year, they abducted a 13-year old son of the vice chairman of the village people's committee, (Cao Ba Co). Later, they killed the boy and threw his body into a creek.

This frenzied artillery shelling killed our students and disrupted and threatened their normal and bright life on the northern border, especially on International Children's Day, 1 June. This new, extremely barbarous, and cruel crime of the Chinese authorities flouted all customs and international laws on caring for and protecting children.

On 1, 2, and 3 June, China also fired 3,000 artillery and mortar shells and conducted more than 10 armed intrusions into northern Vietnamese border areas. However, on 4 June, the Chinese Foreign Ministry spokesman nonsensically stated that Vietnam had not stopped the shelling and at times had sent its armed personnel into China for harassment purposes.

It is obvious that the Chinese side can in no way cover up its crimes in ordering artillery shellings to kill Vietnamese students and disrupting the life of the Vietnamese people along the Sino-Vietnamese border, as well as in continuing to pursue a policy of hostility against our people.

SINO-THAI SLANDER ON REFUGEE CAMP SHELLING SCORED

OW121307 Hanoi Domestic Service in Vietnamese 1100 GMT 12 Jun 86

[Station Commentary: "China and Thailand's Absurd and Slandering Allegations"]

[Text] It is a wholesale fabrication; yet, people have continued to harp on it, with a very wicked political design in mind. It is a story concocted by the Thai authorities on 29 May about Vietnamese artillery in Cambodia shelling a Cambodian refugee camp in Thai territory, killing and wounding many.

We immediately refuted that slanderous allegation by the Bangkok authorities, and pointed out that by concocting that story, the Thai side has schemed to vilify Vietnam and distract world public opinion, which was following closely and welcoming the fifth partial withdrawal of Vietnamese troops from Cambodia.

It would have been wise and sensible for Bangkok's slander to have stopped then and there, but it did not. China has chimed in, ridiculously echoing Bangkok's fabrication. More surprising is the fact that not only Beijing, but others in the region, flouting the truth, have also parroted Thailand's allegation.

The truth is that international relief officials, who have been working at Cambodian refugee camps in Thai territory, have said that the Khmer Rouge themselves shelled the refugee camp. The Thai paper NAEON on 30 May carried the following statement by a UN border relief organization official: There are indications that the shelling on Refugee Camp No 8 might be the result of fighting among the Khmer Rouge within the camp, or that the shelling might have come from other refugee camps, because the Khmer Rouge leaders in the two neighboring camps opposed Thailand's plan to move those two camps' refugees to Camp No 8. Therefore, they trained their artillery on Camp No 8 to prove that it was unsafe. That is clear, very clear.

The Thai authorities' insidious scheme is to place the blame on the Vietnamese side. And China lost no time in echoing Thailand's slander. China and Thailand's dark scheme is to seek, by all means possible, to stir up the Cambodian issue, to deliberately create tension in the region, and to check the trend toward dialogue, which is being promoted and welcomed in Southeast Asia.

Slandering and making fabrications against other people is nothing new to China and Thailand. They have resorted to that dirty, vile trick because they are unrighteous. Their act is aimed at undermining peace and stability in Southeast Asia. Resorting to slander and fabrication in attempting to vilify others, they end up smearing themselves.

Our consistent policy is to respect Thailand's independence, sovereignty, and territorial integrity. Along with the PRK and LPDR, we have always hoped for a stable and peaceful situation in Southeast Asia and dialogue with Thailand and other countries in the region to resolve the lingering problems. We hope the Thai side will act in that direction. That is in the interests of the Thai people themselves and in accordance with the aspirations of the peoples in the region.

INDEPENDENCE DAY MESSAGE BY PRESIDENT AQUINO

HK121541 Quezon City BUSINESS DAY in English 12 Jun 86 p 15

["Message from Malacanang Palace, Manila" by Philippine President Corazon C. Aquino]

[Text] For the third time in our history, we have fought and won a war of independence. And for the first time in the world's history, it was done without bloodshed and in the spirit of peace and reconciliation. Our first war was won with the unwanted intervention of a foreign power, as a result of which we quickly lost what we had so painfully fought for. Our second victory was with the fervently awaited intervention of a foreign power again. But our last, and unprecedented in the world's history, victory was carried out by us all by ourselves so that to us alone goes the credit.

What our history teaches us is that liberty is not won once for all but every day by our vigilance and our commitment to make it meaningful to the vast majority of our people. For we lost our liberty the third time because it meant very little to the very many of our people who are desperately poor. It is true that these same people, in even worse straits now, fought for freedom. But that does not mean they do not care about the quality of their lives but that they value equally their dignity as free citizens. Let us not, those of us whose efforts can improve the lot of the poor Filipino, make them choose only either bread or freedom but rather endeavor to give all Filipinos the dignity and fulfillment that a free and progressive country can alone make possible.

In commemorating Independence Day let us remember the men and women who gave their lives that we might live in freedom and who, by so doing, imposed on us the obligation to make that freedom also real for all Filipinos.

AQUINO INDEPENDENCE SPEECH URGES SELF-RELIANCE

HK130309 Manila Far East Broadcasting Company in English 2300 GMT 12 Jun 86

[Text] President Aquino yesterday [12 June] called on the Filipino people to protect and cherish their freedom. The President's address highlighted the freedom day rites at the Luneta where an estimated one million people joined their leaders in observing the country's 88th freedom day. In her address, Mrs Aquino rallied the Filipino people to vigilance and commitment to make the country's independence truly meaningful. She also urged the people to join hands in coping with the country's development to bring out self reliance for the country.

[Begin Aquino recording in Tagalog] Let us not revert to the old come-what-may habits, allowing our nation's destiny to be out of our own hands, as though we have lost the will to pursue our goals. What we should do is dedicate each moment of our lives to continually give meaning to our independence so as to fulfill our desire to be free and be responsible for our future and liberty. [end recording]

President Aquino's address followed a 3-hour civic and military parade before the Quirino Grandstand. In the parade the military displayed its power, indicating readiness to cope with any threat to national security in upholding the country's freedom.

At a diplomatic reception at Malacanang later, President Aquino expressed appreciation to other countries for their support of her government. She said moral support by friends of the Philippines abroad is necessary to encourage Filipinos in their resolve for a better life. Mrs Aquino said the world can count on an amount of goodwill from the Filipino people.

Marcos loyalists also observed the country's independence day by listening to a taped message by deposed President Marcos. In that message the former president accused the Aquino government of imposing tyranny and dictatorship upon the Filipino people. He said the Filipinos have lost their dignity, honor and freedom under the Aquino regime. Proof of this, he said, were the abolition of parliament, the removal of the Constitution and the abolition of the Supreme Court.

AQUINO DEFENDS BREADTH OF CON-COM REPRESENTATION

HK120910 Manila THE MANILA EVENING POST in English 10 Jun 86 pp 1, 6

[Text] President Aquino has admitted that the Constitutional Commission [Con-Com] suffers from lack of representation from many sectors of society and professions, such that its work may be susceptible to criticism. In a meeting with officers and members of the Philippine Medical Association (PMA) during a dull day at Malacanang yesterday, Aquino said that "with less than 50 seats, the commission can hardly accommodate representatives from all professions."

Aquino was reacting to a remark by an officer of PMA that the medical profession was ignored in the selection of Con-Com members because there is no physician among its 48 members.

The meeting with the PMA officers and members was the only item in the presidential calendar yesterday. Malacanang sources said Aquino cancelled several schedules for the day since the First Family moved to the so-called "White House" on Arlegui Street near Freedom Park.

For the first time, the street fronting this house was sealed off from pedestrian and vehicular traffic yesterday, indicating that the First Family wanted to be left alone when they moved.

It was not the first time that Aquino was informed of the fact that one profession or sector is not represented in the Con-Com. In her press conference to mark her government's first 100 days last week, Aquino was asked why leftists were left out in the Con-Com selection.

In response, she said the selection committee, which was composed of key cabinet members, decided that "there were others who could qualify, who could do better than the communists." On that basis, she said the choices were made.

Aquino sought to include a representative from the Iglesia ni Cristo (INC) in the Con-Com, but her offer was declined, as well as one of five slots allotted for the opposition.

Speaking for her, Executive Secretary Joker Arroyo announced over the weekend that the members of the Con-Com would be kept at 48 because "the sessions have started, and it will not be correct to name additional members at this stage." But Aquino assured the PMA that the "Constitution (to be drafted by Con-Com) will embody the law of the land in its broadest application."

The officers and members of PMA, led by its president, Dr. Fe Canlas-Dizon, presented a resolution offering support to the government by freezing their professional fees, bringing them back to their levels of five years ago. There are about 12,000 members of the association. Medical consultation fees range from P20 for rural doctors to P100 for specialists.

Dizon told Aquino that by going back to consultation fees five years back, the maximum fee to be charged by specialist would not be more than P50. The PMA also presented an adopt-a-barangay outreach program, wherein they would provide medical assistance to poor communities.

AUSTERITY MEASURES OUTLINED FOR CABINET

HK110854 Hong Kong AFP in English 0801 GMT 11 Jun 86

[Text] Manila, June 11 (AFP) -- President Corazon Aquino Wednesday banned ministers from flying first class and staying in luxury hotels saying her government should practise the austerity it preaches.

The war on lavish perks was decided at a cabinet meeting Wednesday, after ministers had debated the "credibility of the government" and the "dignity of government officials", Presidential spokeswoman Alice Villadolid told reporters.

Mrs Aquino decided that "austerity requirements" should prevail and ruled that government officials should not travel "first class" and should hire "modest cars" instead of limousines while travelling abroad. The directive also bars officials, including ministers, from staying in suites of luxury hotels. Instead they should stay in "reasonably priced" rooms and members of official missions should be trimmed to the barest minimum, she added.

Mrs Aquino, who assumed power following a popular uprising which toppled Ferdinand Marcos in February, has shunned the notoriously lavish lifestyle of the Marcos family, whom she accuses of plundering the country's wealth. She has vowed to live simply and exhorted her 55 million countrymen to follow her example.

SPECIAL TASK FORCE TO TACKLE SQUATTER PROBLEM

HK130558 Quezon City BUSINESS DAY in English 12 Jun 86, p 24

[Text] President Corazon C. Aquino formed yesterday a special group to tackle the problems of the urban poor, particularly the more than 2.5-million squatters living in more than 600 "squatter colonies" in Metro Manila.

The President asked the special group to meet with Metro Manila Commission officer-in-charge Joey Lina, National Housing Authority administrator Lito Atienza, and head of the various urban poor organizations. The President issued this instruction during yesterday's cabinet meeting in Malacanang.

Mrs Aquino said the group will pay particular attention to squatters living along the banks of esteros [open drains] in Metro Manila. She expressed concern for the plight of the estero squatters who are affected by the perennial floods during the monsoon season.

There was a consensus among the cabinet members that the squatters' problem is a difficult one. Some ministers felt that squatters should be asked to vacate their shacks only if there are adequately prepared and acceptable resettlement areas ready to accommodate them.

Minister Luis Villafuerte said in the last five years, 24,000 squatters were moved to resettlement areas outside of Metro Manila, but some 37,000 people migrated and became squatters in the Metropolis over the same period.

SALONGA COMMISSION TO APPEAL U.S. COURT ON WEALTH

HK120517 Manila MANILA BULLETIN in English 11 Jun 86 pp 1, 5

[By Rene M. Alviar]

[Text] The President Commission on Good Government (PCGG) said yesterday it would try to regain the \$7 million in cash, jewelry, and other belongings which a U.S. court had decided to return to deposed President Marcos. The Marcos assets were seized by the U.S. Customs Service from the former President's entourage when it arrived in Hawaii last Feb. 26.

At the same time, the PCGG reacted with caution to the reported offers of some of Marcos' cronies to return home and cooperate in recovering the alleged illgotten wealth of the deposed President. But it warned that "they (the cronies) should not come home if they would serve as ploys in destabilizing the present government."

Minister Jovito Salonga, PCGG head, told newsmen that while the Philippine government was not a party to the case decided in Hawaii recently, it will either intervent or act as friends of court so that the Philippine government can present its side on the issue.

The case arose when Marcos' son-in-law, Gregg Araneta III, filed a mandamus suit against the U.S. Customs Service seeking the release of the \$7-million belongings. Last June 6, U.S. Federal Judge Harold Fong ordered the release of the goods on the ground that the U.S. customs service has no authority to hold the items.

Salonga said that the United States government has asked the Federal Court of Hawaii to reconsider its decision. He said that he was also informed of the filing of a motion to stay the court order by U.S. Government representatives.

He also said that State Department Undersecretary Michael Armacost, one-time U.S. Envoy to the Philippines, has filed a manifestation with the federal court that the claim of the Philippine government over the Marcos' goods should first be heard in order to establish their real ownership.

Meanwhile, PCGG commissioner Raul Daza said that the reported six or seven cronies of Marcos who have sent feelers to cooperate with the commission are welcome to return home because that it is the right of every citizen.

Daza, however, said that the returning cronies should meet the terms and conditions of the PCGG to erase doubts on their real motives. These are: The returnee should disclose all the illegal wealth fully; the immunity from suit would only be on violations of the law relating to the ill-gotten wealth; the amount of wealth to be surrendered should be substantial; and the return should not be a ploy to destabilize the government.

Daza told members of the Public Relations Society of the Philippines (PRSP) that out of the 218 companies affected by the PCGG sequestration moves, 85 percent of the shares of stocks was found to be owned by at least 12 or 13 cronies of Marcos.

Some of those whose shares of stocks have been sequestered are Antonio Floreindo, Roberto Benedicto, Bienvenido Tantoco, Rolando Gapud, and Eduardo Cojuangco.

CON-COM MEMBERS PUSH FOR MINDANAO AUTONOMY

HK120248 Manila PHILIPPINE DAILY INQUIRER in English 10 Jun 86 pp 1, 6

[Excerpt] Prominent members of the Constitutional Commission [Con-Com] are pushing for the establishment of an autonomous government for Mindanao through an explicit provision in the Constitution. Two blocs -- one led by Muslim delegates in the Con-Com and one from the opposition -- are preparing separate resolutions, both seeking the establishment of an autonomous government for Mindanao.

Opposition Con-Com member Blas F. Ople said the Muslim problem is a special case and its "uniqueness merits a special and explicit mention in the new constitution."

Con-Com member Ahmad Domocao Alonto said he will also file a resolution seeking the establishment of the autonomous government next week. Hopeful that the proposed resolution will sail smoothly in the Con-Com, Alonto, a former senator, said the resolution will be largely based on the provisions contained in the Tripoli Agreement. He said that agreement, which was signed in the Libyan capital in 1976 has the provisions needed for autonomy but lacks the force of a constitutional provision.

Alonto said the move to establish an autonomous government in Mindanao has the full and broad support of his constituents. The Tripoli Agreement provided for an autonomous government in Mindanao. The agreement also recognized the Muslims' right to put up their own courts, and judicial and educational system. Limited powers to collect taxes and form their own security units were also given to the Muslims under the agreement.

Political leaders from Mindanao, however, have charged that the Marcos government had either ignored or set aside most of the agreement's provisions and this has fanned the secessionist war there. Ople and Alonto said an explicit provision in the new Constitution will help bring peace to the troubled region.

A resolution along this line was earlier filed by two colleagues of Ople in the opposition. Con-Com members Regalado Maambong and Rustico de los Reyes filed the resolution seeking the establishment of an autonomous region in the Cordilleras.

Meanwhile, Malacanang's refusal to act on an urgent appeal to appoint one more opposition member to the Con-Com is rekindling partisan feelings in the body. "We are at a loss. We do not really know what happened to the nomination of former MP Zosimo Jesus Paredes Jr.," the opposition, led by Ople, said.

The nominatin of Paredes, a former military officer, was sent to Malacanang last week, according to them, but no action has been taken. He was named to replace former Davao del Sur MP Alejandro Almendras who begged off from the Con-Com because of his political ambitions.

Opposition stalwarts said Malacanang officials are wary of Paredes' background. A graduate of the Philippine Military Academy, Paredes was a member of the Batch 1971 from which the core of the military reformists was drawn.

Col. Hernani Figueroa, a leading member of the reformists, earlier threatened to "lynch" several high officials in the Aquino government, including Executive Secretary Joker Arroyo, who is believed to be in charge of the Con-Com appointments if Paredes' appointment is not approved.

CON-COM DISCUSSES CANCELING PRESIDENTIAL IMMUNITY

HK120337 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 11 Jun 86 p 21

[By Melchor Parale]

[Text] Members of the Constitutional Commission called yesterday for the scrapping of immunity from suits of present and future Presidents. The proposal was embodied in a resolution introduced by Jose M. Nollado Jr. and endorsed by both members of the majority and minority in the assembly.

The measure, docketed as Resolution No. 67 and referred by Con-Com President Cecilia Munoz-Palma to the committee on executive powers, would also apply to former President Marcos and persons who acted on presidential orders.

The measure was immediately endorsed by former Labor Minister Blas Ople, Hilario Davide Jr., chairman of the legislative committee, Floorleaders Napoleon G. Rama, Jose Bengzon Jr., Assistant Floorleader Jose Calderon and Rustico de los Reyes.

Proponents justified the proposal by citing the country's experience during the 20 years former president Marcos was in power. "The provision proposed for incorporation in the new Constitution is made specifically applicable to Ferdinand Marcos being the most immoral provision of the Marcos constitution," Nollado told the assembly in his explanatory note.

Another resolution introduced in the assembly sought the incorporation of a provision in the new charter on the separation of the church and state.

Gregorio Tingson and Cirilo Rigos, main proponents, explained to the body that making the proposal formal would allay fears that the traditional separation of church and state in Philippine government affairs might be abandoned because of the predominance of clergymen in the charter assembly.

Mrs Palma referred the measure, docketed as Resolution No. 70, to the committee on general provisions.

Still another resolution was presented to the body seeking to constitutionalize the power of the state to sequester properties of the president and his officials established to have been ill-gotten. The measure, docketed as Resolution No. 61, proposes safeguards so that the state sequestration powers would not be abused.

Other measures introduced in the assembly:

-- Resolution No. 55, authored by Hilario Davide Jr. seeking to limit the presidential powers to grant pardons. It was referred to the committee on executive;

-- Resolution No. 56, introduced by Davide seeking to clip the presidential powers to make midnight appointments. By midnight appointment is meant the previous practice where an outgoing President would make hasty appointments before leaving office;

-- Resolution No. 60 also authored by Con-Com member Jose Suarez, Jaime Tadeo, Jamir Ascona, seeking a ban on block voting.

-- Resolution No. 65, seeking to allow private citizens to possess firearms as a self-protective measure against lawless elements.

Members of the committee on judiciary, headed by former Chief Justice Roberto Concepcion, arrived at a consensus for the adoption of a resolution limiting the martial law powers of the President.

OPPOSITION SEES COUP ONLY AS REMOTE POSSIBILITY

OW111241 Tokyo KYODO in English 1218 GMT 11 Jun 86

[Text] Manila, June 11 KYODO -- President Corazon Aquino was warned by the opposition Philippine Nationalist Party (PNP) that the impending talks for a ceasefire between the government and leftist insurgents may strain the "uneasy civilian-military" coalition, but told that a coup d'etat is only a remote possibility.

The PNP central committee said in a statement issued Tuesday that the government and the military might become "unduly complacent" because of "false hopes and expectations" created by negotiations between emissaries of the Aquino government and the Communist Party of the Philippines. The statement was issued on the same day that a former newsman and political detainee, Satur Ocampo, formally accepted his designation as the official negotiator of the Communist Party and the underground leftist umbrella, the National Democratic Front (NDF).

The PNP said that a proposal for a "coalition government" that included the Communist Party and its military arm, the New People's Army (NPA), put forward by erstwhile Communist Party Chairman Jose Maria Sison, has set off "a wave of anxieties" in military ranks under Defense Minister Juan Ponce Enrile and Armed Forces Chief of Staff Gen. Fidel Ramos.

The PNP, headed by former Labor Minister Blas Ople who served under deposed President Ferdinand Marcos, said that the Aquino government's "discreet silence" on this proposal "may simply be misunderstood as acquiescence." A coup d'etat, however, is extremely remote at this time "because of the prohibitive cost of such an enterprise and the stabilizing influence of the United States, which backs up the Aquino government," the PNP said.

Aquino announced last week that "preliminary talks," which could lead to the end of the 17-year insurgency, would soon be held between her emissaries and a representative of the outlawed party.

Ocampo said in an open letter Tuesday that "implicit in this acceptance (as negotiator) is President Aquino's acknowledgement of a mutual desire for a genuine and lasting peace and national unity." He said the ceasefire talks "would not be easy" for him and the government panel because "there are elements within and out of the government who would rather not see the negotiations proceed or succeed."

He did not identify these elements but past statements by the outlawed party have identified them as Marcos loyalists and Enrile and Ramos, the two men who led a civilian-backed military revolt that ended Marcos' 20-year rule and installed Aquino. Enrile had served as Marcos' chief administrator in the 1972-1981 martial law period while Ramos headed the Philippine Constabulary, a major branch of the Armed Forces and the main counterinsurgency force accused of numerous human rights violations.

MILITARY DIRECTED TO INSTALL ILOCOS SUR GOVERNOR

HK120850 Manila MANILA BULLETIN in English 11 Jun 86 pp 1, 5

[By Ding Marcelo]

[Text] President Corazon Aquino has directed the military to install Mrs Sally Villanueva as governor of Ilocos Sur after her attempt to assume the governorship last week was thwarted by followers of Gov Luis "Chavit" Singson who barricaded the provincial capitol building in Vigan. Mrs Aquino's directive was conveyed yesterday by Executive Secretary Joker Arroyo in a letter addressed to Defense Minister Juan Ponce Enrile and Gen Fidel Ramos, Armed Forces Chief of Staff. Mrs Aquino asked Enrile and Ramos to submit a written report on the progress of her order on June 13.

The President's directive was apparently in response to the appeal of Mrs Villanueva for the national government to directly intervene in her bid to assume the governorship. When she first attempted to take over the duties of governor last June 2, her motorcade was stoned by followers of Singson. Mrs Villanueva suffered minor injuries as a result of the attack.

Tension has built up in Ilocos Sur as Singson and his followers defied an order from the Ministry of Local Governments (MLG) removing him from office. At the same time, Mrs Villanueva has asked that the entire Ilocos Sur PC [Philippine Constabulary] command be relieved for its failure to stop the violence last June 2.

Court martial proceedings have likewise been filed against Col Wilfred Nicolas, Ilocos Sur PC provincial commander, and his men for dereliction of duty.

President Aquino also met with top military officials headed by General Ramos to Malacanang to discuss what appears to be another brewing controversy regarding the appointment of officers-in-charge [OICs] in Sulu province. Minister Enrile was present during the meeting. The conference was called after the President was informed that incumbent mayors in Sulu, most of whom are former rebels who have returned to the fold of the law, have refused to vacate their positions in favor of OICs. Since the problem is reportedly political, military officers are seeking political solutions to the problem.

President Aquino also met with representatives of the urban poor who sought help for a possible moratorium in the demolition of squatter homes in Metro Manila, particularly those built along the banks of esteros. Mrs Aquino has ordered that shanties along the esteros be cleared to prevent flooding in the Metro Area and to avoid loss of lives expected to be caused by floodwaters.

ENRILE STRESSES PRESERVATION OF FREEDOM, INDEPENDENCE

HK130323 Quezon City Radyo ng Bayan in Tagalog 2300 GMT 12 Jun 86

[Text] Defense Minister Juan Ponce Enrile says the Filipino nation should not rely on other countries to preserve its freedom. Enrile said this during his speech at the 88th Independence Day anniversary rites held at the National Heroes' Cemetery at Fort Bonifacio, Makati. Enrile said that the defense of its freedom is the principal wish of the Filipino nation. However he said that the country will abide by its treaties with other countries, adding that the Philippines has a defense treaty with the United States.

RAMOS GUARANTEES SAFETY OF COMMUNIST NEGOTIATORS

HK130446 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 13 Jun 86

[Text] Armed Forces of the Philippines Chief of Staff General Fidel Ramos said that the Philippine Armed Forces will guarantee the safety of communist emissaries in projected ceasefire talks with the new government. He added that the 250,000 strong armed forces will do whatever the president assigns to them.

Executive Secretary Joker Arroyo said the government negotiators have been named by the president but their identities were being kept secret for security reasons. Earlier, the communist rebels have appointed Satur Ocampo as among its emissaries in the yet unscheduled ceasefire talks.

MILITARY IDENTIFIES 'KEY' COMMUNIST FIGURES

HK110644 Manila THE NEWS HERALD in English 10 Jun 86 pp 1, 6

[By Cecilio Francisco, Jr]

[Text] The military yesterday identified 13 key personalities, among them former newspaperman Antonio Zumel, who belong to the higher echelon of the Central Committee of the Communist Party of the Philippines [CPP]. Also named were 13 others who implement plans and programs of the Politburo in the provinces and regions.

Sources who requested anonymity said this present crop of leadership in the hierarchy of the CPP/NPA either belongs to the second or third generation as most of their founding members have been killed or captured by government forces in the course of intensive government counter-insurgency operations.

Defense and military analysts also indicated that these leaders in the Central Committee of the CPP are intelligent, cunning, wily and violent. This was confirmed by Defense Minister Juan Ponce Enrile in a recent speech saying that "they want to turn this country into another New Khmer Rouge should they be able to wrest power from the government."

The Central Committee, according to the source, is the highest policy making body of the entire CPP/NPA organization. Its present members are Rodolfo Salas, Juanito Rivera, Rafael Baylosis, Benito Tiamzon, Ignacio Capegsan, Romulo Kintanar, Antonio Zumel, Prudencio Calubid, Roberto Tacbad, Ericson Baculinao, Santiago Sta Romana, Luis Jaladoni, and Ibarra Tubianosa.

Of these Central Committee members, Salas and Baylosis are believed to be the "think tank" of the party. The two, however, has fallen the good graces of the party resulting in the appointment of former newsman, Satur Ocampo, as the chief negotiator in the forthcoming peace talks that hopefully would put an end to the insurgency problem in the country. [sentence as published]

Salas, the same source said, is presently the chairman of the Central Luzon Regional Party Committee, and a host of other organizations under the CPP/NPA umbrella. His latest reported activity was when he left Central Luzon last Dec 27, 1985 to supervise military operations either in Regions 4 and 5. He was reportedly sighted entering the South Expressway heading towards Southern Luzon escorted by two armed dissidents armed with an M-203 grenade launcher and an M-14, Salas carries a reward of P250,000 on his head.

Rivera alias Commander Juaning is the vice chairman of the Central Committee, leader of an NPA liquidation squad in Nueva Ecija, and among others a member of the Central Luzon regional Executive Committee. He was last seen last June 18, 1985 in Abucay, Bataan, monitoring the staging of the anti-nuclear protest. Rivera carries a P200,000 reward for his capture.

Baylosis alias Commander Raul is the secretary general of the CPP, and secretary of the Northeast Luzon Regional Party Committee. He was last seen in Baranggay Maribulan, Alabel, South Cotabato, on Jan 25, 1985 escorted by about 30 NPA's and Moro National Liberation Front [MNLF] rebels. The man to work for an alliance with the MNLF. [Sentence as published] He has a P200,000 reward on his head.

Tiamzon alias Commander Victoriano, is alternate member of the of the Central Committee and secretary of the Eastern Visayas Regional Party Committee. His area of operation is the northernmost part of Western Samar. He carried a P150,000 reward on his head.

Capegsan alias Paul, is a member of the Central Committee, and member of the Northern Luzon Regional Party Committee. He was among the leaders of about 150 armed NPA members who left for Digoyo, Palawan, Isabela, to unload 3,500 Armalite rifles and other military hardware from the MV Karagatan I. Prize for his capture is P175,000.

Kintanar alias Commander Rolly, is a member of the Central Committee. He is the present chairman of the KOMMID [expansion unknown] with Jose and Benjamin de Vera as first and second deputy secretary respectively. He is credited with staging several ambushade and disarmings of military and paramilitary units as well as liquidating barangay officials and suspected government informers. He has a prize of P150,000.

Zumel alias Ka Tony, a former newsman, heads the National Democratic Front [NDF], the political front of the CPP. In a recent interview he said that the party is open to ceasefire on the condition that the military stop its use of violence and that the government restore its true democracy. He further said that should the CPP/NPA win in its armed struggle, the party would be willing to establish diplomatic relations with the U.S., if it would stop meddling in the country's internal affairs. Reward for his capture is P125,000.

Calubid alias Commander Eliot, is the overall commander of the NPA in Samar, and carries the reward of P150,000.

Tacbad alias Kim, is secretary of the Southern Luzon Commission. He is reportedly operating in Pampanga and had at one time planned an attack on the refugee center in Morong, Bataan. He has a reward of P100,000.

Baculinao alias Eric, is chairman of the movement for Democratic Philippines and at one time spokesman for Jose Maria Sison, Nilo Tayag and Enrique Voltair Garcia.

Santa Romana alias Chito, is a member of the Central Committee and editorial board member of ANG BANDILANG PULA. He was one of the persons who went to mainland China sometime in August 1971. He carries a P100,000 reward.

Jalandoni alias Commander Berns an ordained priest, actively supported the CPP/NPA through financial contributions. In an interview with REUTERS in February in London, he said that the NDF International wants to forge an alliance with Cory Aquino to protest jointly the massive fraud and terrorism in the Feb 7 presidential election. The NDF boycotted the election.

Tubianosa alias Commander Peralta, is chairman of the NPA and one of the ghost writers of Jose Maria Sison. He wrote the concluding article in the book, "Philippine Society and Revolution."

The territorial commission, regional party commission, island party committees, and provincial party committees receive orders from the Central Party Committee for implementation in their respective areas of jurisdiction. Some of the 13 Regional Party Committees who may have already been promoted to the CPP Central Committee are Sotero Llamas alias Commander Nognog, Edison Coronado, Manuel Calizo, Tomas Dominado and nine others.

ARMED FORCES SEEK INCREASED U.S. MILITARY AID

HK130606 Quezon City BUSINESS DAY in English 12 Jun 86 p 24

[By Joel D. Lacsamana]

[Text] The United States government is inclined to grant more military aid to the New Armed Forces of the Philippines (NAFP), which earlier proposed a \$55-million grant package for 1986, military sources said yesterday.

An increase in the sought 1986 military aid is more likely because of the U.S. State Department's perception of "the increasing seriousness of the Communist-backed insurgency in the country," military sources added.

The U.S. government's apparent change of heart stemmed from two factors: the replacement of the past "repressive" regime of former president Ferdinand Marcos with the ostensibly democratic government of President Corazon C. Aquino, and the alarming inroads by the Communist Party of the Philippines/New People's Army (CPP/NPA) in the past three months after the February revolution, sources told BUSINESS DAY. The sources noted that prior to the February revolution, the U.S. Government was poised initiate drastic cutbacks in its arms aid to the Philippines because of widespread reports of human rights violations of the Armed Forces under the Marcos regime.

The sudden ascent into power of Mrs Aquino last February via a bloodless revolution and the escalating insurgency activities prompted the US to "rethink" the substance of its arms aid package to the Philippines, the sources added.

The proposed \$55-million military aid package consists of \$10.15-million vehicle, arms and equipment and \$44.85-million maintenance and other support requirements.

High on the NAFP list of priorities, which is still subject to revision, are light armored vehicles to be used for the military's antiinsurgency campaign in the countryside: 10 Commando V-150's, or off-road Armored Personnel Carriers (APC) and nine Commando Rangers or Urban APCs. The V-150's cost \$3 million each, while the Commando Ranger has a \$1-million price tag per vehicle.

Other items included in the list are 250,000 M16 magazines, \$1.25 million; 40 sets of FCI and TE sighting systems for mortars, \$400,000; armor kits, \$55,000; tactical communications equipment, \$3.062 million; and health services equipment, \$1.383 million.

The maintenance and other support requirements package include: ground maintenance program, \$23.185 million; Air Force maintenance program, \$13 million; Navy maintenance program, \$6.665 million; and aviation and marine maintenance program, \$2 million.

The sources added that initially, the U.S. had indicated its willingness to provide a squadron (12 to 18 planes) of F-5E fighter jets costing \$5 million each to the Philippine Air Force (PAF) and to help the NAFP sell its existing squadron of F-8's to interested buyers.

The F-8's are considered by the PAF as expensive gas-guzzlers, and are constantly hampered by nagging spare parts problems. Nothing definite, however, has yet come out of this reported aircraft arrangement, the sources said.

The sources noted that a majority of the NAFP top brass think that increased airpower may not be that necessary in the Armed Forces current anti-insurgency campaign. They added that acquiring new fighter planes would only hasten depletion of the U.S. arms aid package which could be put to better use through other needed items.

The sources said the immediate arms requirements of the NAFP to contain the communist-backed insurgency in the countryside -- and possibly in certain urban areas in the future -- should be focused on three factors: increased or at least, consistent firepower, increased mobility through more helicopters and armored land vehicles, and improved communications systems for NAFP field units.

2 NEWLY-APPOINTED MUSLIM OICS KILLED IN MINDANAO

HK120537 Manila MANILA BULLETIN in English 11 Jun 86 pp 1, 5

[By Tony Rimando]

[Text] Cotabato City -- Two newly appointed Muslim officer-in-charge in the autonomous region of Central Mindanao were gunned down by unidentified armed men in separate incidents Sunday, it was learned here yesterday.

Sketchy reports received by lawyer Zaracia Candau, acting chairman of the Regional Executive Council of the Autonomous government, identified the slain officials as Datu Guiapal Nando, 43, OIC of Datu Paglas, Maguindanao; Datu Blu Ismael, 46, OIC of Kapatagan, Lanao del Norte.

Nando, together with two companions, was on his way to a mosque to pray on the occasion of the end of Ramadan in Barangay Danalusay, Datu Paglas, when armed men deployed on both sides of the road fired at him. Nando suffered multiple bullet wounds in the body. He died on the spot.

His two unidentified companions were seriously wounded and taken to a nearby emergency hospital. They were given a slim chance to survive.

Nando was to proceed Monday to Cotabato City where he and five other OICs were to take their oath of office before Chairman Candao.

Ismael was walking in downtown Marawi city where he was temporarily residing when a young man approached him and shot him pointblank. Ismael was hit twice in the head and died on the spot.

Candao said the reports did not mention the motives behind the killings. However, investigators, are looking into politics or personal grudges as possible causes.

About a month ago, another newly appointed Muslim OIC was shot dead in Pagadian city. The victim, Capt. Abdul Capar Lutian of the police, was gunned down by two motorcycle-riding men inside a store barely two weeks after he was designated OIC of Alicia, Zamboanga del Sur.

NATIONAL LIVELIHOOD PROGRAM TO STOP LENDING

HK110649 Manila THE MANILA EVENING POST in English 9 Jun 86 pp 1, 8

[Text] The Kilusang Kabuhayan at Kaunlaran (KKK) [National Livelihood Movement] movement will no longer continue its lending program to recover the P1.5 billion loans released during the past administration.

This was disclosed yesterday by Romeo David, chief of staff of the KKK national secretariat, in GMA [expansion unknown] 7's "Interaction" TV show hosted by Gerry Espina. With him were Eduardo Lucero, administrator of the KKK, Federico Ricafort, Manila Public Teacher's Association (MPSTA) chairman and Iluminada Cabigas, vice president of Land Bank.

David said the KKK in the past projected itself more as a lending program rather than an initiator of livelihood programs, the concentration of which should be on bringing about production oriented programs instead of being a lending institution.

He revealed that only 18 percent of the P1.5-billion loans have been recovered and that KKK officials have agreed not to grant new loans because this would mean more problems, particularly the high cost per delivery of livelihood. He added that the government has not also released new funds for the KKK and that it is still operating on the budget released by the former administration.

The KKK was one of the most controversial programs under the past regime. It caused conflict among former Cabinet ministers who questioned the big allocation given to the project. The KKK program conceived as a self-reliance project was given a budget allocation of P1 billion annually.

David said the initial fund of P1 billion appropriated by the national budget as seed capital of the KKK was divided into the Puhunan Fund where P300 million was invested as equity in Land Bank, Development Bank of the Philippines, and the Philippine National Bank, while the remaining P700 million was lent as a loan computed at 12 percent. [as published]

Cabigas said that once the projects and the borrowers are identified, loans are processed and invested in the bank whose role is merely supportive to the KKK in terms of collection efforts.

The KKK is being evaluated by a task force from the Presidential Commission on Government Reorganization headed by Minister Luis Villafuerte.

David said the KKK officials are reorienting the program to redeem itself and make it more livelihood-oriented. He said that in the past, the livelihood program was interpreted as entrepreneurship and trapped people to enter more loans. Thus, instead of reducing the unemployment and poverty problems, the KKK gave more problems to the people. Reports also said many political leaders used KKK money to support their campaign programs but never intended to pay back.

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